

THE AGENCY

B R O O M E C O U N T Y I D A / L D C

BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY

March 17, 2021 • 12:00 p.m. • The Agency Conference Room
FIVE South College Drive, Suite 201, 2nd Floor
Binghamton, New York 13905

AGENDA

- | | | |
|----|-----------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| 1. | Call to Order | J. Bernardo |
| 2. | Approve Transcript – February 17, 2021 Board Meeting | J. Bernardo |
| 3. | Public Comment | J. Bernardo |
| 4. | Executive Director's Report <ul style="list-style-type: none">• Updates• Internal Financial Report – February 28, 2021 | S. Duncan |
| 5. | Loan Activity Reports as of February 28, 2021 | T. Gray |

New Business

- | | | |
|-----|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------|
| 6. | Resolution Approving the 2020 Audit of the Broome County Industrial Development Agency, Conducted by Insero & Co. CPA's, LLP | S. Duncan |
| 7. | Resolution Accepting an Application from Upstate Hi-Tech Properties, LLC and Authorizing a Sales and Use Tax Exemption in an Amount not to Exceed \$84,800.00, Consistent with the Policies of The Agency in Connection with the Purchase and Construction of an 18,000 Square Foot Custom-Built building to House Custom Systems Integration, Inc., to be Located at 100 Commercial Drive in the Town of Maine, Broome County, New York | S. Duncan |
| 8. | Resolution Authorizing an Extension of the May 1, 2020 Sales Tax Agreement with Simulation and Control Technologies, Inc. from April 15, 2021 Through and Including April 15, 2022, of Which the Total Shall not Exceed \$40,880.00 | S. Duncan |
| 9. | Resolution to Approve the Readoption of The Agency's Investment & Deposit Policy, Internal Controls and Financial Accountability Policy Purchasing Policy, Property Acquisition Guidelines and Property Disposition Guidelines, with No Changes | T. Gray |
| 10. | Executive Session: To Discuss the Sale of Property | S. Duncan |

Old Business

- | | | |
|-----|-------------|-------------|
| 11. | Adjournment | J. Bernardo |
|-----|-------------|-------------|

Broome County IDA
Internal Financial Status Reports
February 28, 2021

Broome County IDA
Financial Statements vs. Budget
Month Ended 02/28/21

Month # -> 2

	2021 Approved Budget	2021 Revised Budget	Actual YTD thru 2/28/21	Budgeted YTD thru 2/28/21	Variance
INCOME:					
A) Land/Building Income:					
265 Industrial Park Drive	\$ 460,071	\$ 460,071	\$ 255,967	\$ 76,679	\$ 179,288
ADEC Mortgage	58,838	58,838	9,806	9,806	-
Canopy	100,000	100,000	100,000	16,667	83,333
FIVE South College Drive Tenant Leases*	87,600	87,600	14,233	14,600	(367)
Miscellaneous Income	10,000	10,000	845	1,667	(821)
Solar City	5,000	5,000	-	833	(833)
Subtotal	721,509	721,509	380,852	120,251	260,600
B) BCIDA Fees:					
IRB/Sale Leasback Fees	615,000	615,000	36,435	102,500	(66,065)
Loan Fund Administration	35,000	35,000	-	5,833	(5,833)
Subtotal	650,000	650,000	36,435	108,333	(71,898)
C) Other Income:					
Bank Interest	90,000	90,000	21,268	15,000	6,268
TOTAL INCOME	\$ 1,461,509	\$ 1,461,509	\$ 438,554	\$ 243,585	\$ 194,970
EXPENSES:					
A) Administration:					
Salaries	\$ 462,520	\$ 462,520	\$ 83,539	\$ 85,652	\$ 2,113
Benefits	272,749	200,749	34,740	34,208	(532)
Professional Service Contracts	40,000	40,000	2,000	6,667	4,667
Payroll Administration	2,000	2,000	432	333	(98)
Investment Management	20,000	20,000	1,793	3,333	1,540
Subtotal	797,269	725,269	122,503	130,193	7,690
B) Office Expense:					
Postage	2,000	2,000	430	333	(97)
Telephone/Internet Service	5,000	5,000	944	833	(111)
Equipment & Service/Repair Contracts	15,000	15,000	2,998	2,500	(498)
Supplies	7,000	7,000	1,439	1,167	(273)
Travel/Transportation	16,000	16,000	226	2,667	2,440
Meetings	17,000	17,000	177	2,833	2,657
Training/Professional Development	10,000	10,000	3,490	1,667	(1,823)
Membership/Dues/Subscriptions	7,000	7,000	3,875	1,167	(2,709)
Audit	15,000	15,000	5,500	2,500	(3,000)
Legal	70,000	70,000	-	11,667	11,667
Insurance (Agency, Director & Officers)	18,000	18,000	12,441	3,000	(9,441)
Contingency	5,000	5,000	179	833	654
Subtotal	187,000	187,000	31,701	31,167	(534)
C) Business Development:					
Advertising	40,000	112,000	985	18,666.67	17,682
Printing & Publishing	15,000	15,000	-	2,500	2,500
Public Relations Contract	40,000	40,000	7,354	6,667	(687)
Subtotal	95,000	167,000	8,339	27,833	19,494

**Broome County IDA
Financial Statements vs. Budget
Month Ended 02/28/21**

Month # -> 2

	2021 Approved Budget	2021 Revised Budget	Actual YTD thru 2/28/21	Budgeted YTD thru 2/28/21	Variance
D) FIVE South College Drive Expenses	87,600	87,600	15,187	14,600	(587)
E) Building/Property Maintenance:					
Broome Corporate Park					
Maintenance - Mowing/Snowplowing	5,000	5,000	-	833	833
600 Main Street					
Maintenance - Mowing/Snowplowing	14,000	14,000	3,600	2,333	(1,267)
Subtotal	19,000	19,000	3,600	3,167	(433)
TOTAL EXPENSES	\$ 1,185,869	\$ 1,185,869	\$ 181,330	\$ 206,960	\$ 25,630
OPERATING INCOME	\$ 275,640	\$ 275,640	\$ 257,224	\$ 36,625	\$ 220,599

*Tenant Lease Income will be \$7,200.00 under budget for the year due a Tenant not renewing their lease for 2021.

Broome County IDA
Summary of Bank Deposits and Investments

	Account	Month End Balance	Statement Date	Rate
Cash & Bank Deposits				
	Petty Cash	100.00	2/28/2021	
	NBT BCIDA Checking	298,295.22	2/28/2021	0.00%
	NBT BCIDA Money Market	313,007.56	2/28/2021	0.0076%
	Total Cash & Bank Deposits	<u>611,402.78</u>		
Portfolio Investment Accounts				
	Cash & Equivalents	-	2/28/2021	
	NBT Transition Account	7,441.76	2/28/2021	0.0180%
	CDs & Time Deposits		2/28/2021	
	US Treasury Bonds & Notes	7,374,996.41	2/28/2021	1.96%
	Total Portfolio Value	<u>7,382,438.17</u>		
	Total Cash, Bank Deposit Accounts & Investments	<u><u>7,993,840.95</u></u>		
Loan Funds				
STEED				
	Petty Cash	100.00	2/28/2021	
	NBT STEED Checking	2,852.32	2/28/2021	0.00%
	NBT STEED Money Market	32,349.54	2/28/2021	0.05%
	Total STEED	<u>35,301.86</u>		
BDF				
	NBT BDF Checking	126.33	2/28/2021	0.00%
	NBT BDF Money Market	373,714.35	2/28/2021	0.10%
	Total BDF	<u>373,840.68</u>		
	Total Loan Funds	<u><u>409,142.54</u></u>		
	Total Combined Funds	8,402,983.49		

**Broome County IDA
Account Receivables**

BCIDA Notes Receivable	Beginning Balance	Interest Rate	Total Principal Payments as of 2/28/2021	Total Interest Payments 2/28/2021	Outstanding Balance as of 2/28/2021	Status	Comments
265 Industrial Park Drive 3/29/2017	3,325,776.00	3.0%	425,603.39	143,922.53	2,900,172.61	Current	Building Sale Monthly Payment
ADEC 8/5/2015	710,000.00	3.0%	213,151.65	95,745.54	496,848.35	Current	Mortgage Agreement Monthly Payment \$4,903.13
Broome County - Solar City 8/15/2016	100,000.00	0.0%	20,000.00	-	80,000.00	Current	Land Lease Annual Payment \$5,000
Precium Holdings - Charles St. 5/23/2017	80,000.00	3.0%	11,318.92	8,203.00	68,681.08	Current	Land Sale Monthly Payment \$443.68

Steed Loan Status

BORROWER	Opening Balance 1/1/2021	Current Balance 2/28/2021	Maturity Date	Status 2/28/2021
17 Kentucky Ave., LLC	196,284.59	194,086.59	1/1/2033	Current
20 Delaware Ave, LLC	92,825.16	89,437.61	1/1/2025	Current
Airport Inn Restaurant, LLC	35,000.00	35,000.00	6/1/2026	Current
Alice's Closet	25,000.00	25,000.00	7/1/2026	Current
Bernice Brews, LLC (Marshall McMurray)	10,000.00	10,000.00	8/1/2026	Current
Better Offer Properties, LLC	30,987.81	29,607.17	3/1/2024	Current
BrightDrive, HCS, LLC	60,000.00	60,000.00	10/1/2026	Current
Bryant Heating & Air	75,000.00	75,000.00	5/1/2026	Current
Concept Systems	45,174.27	41,671.67	10/1/2022	Current
DGC Jewelers, Inc.	15,000.00	15,000.00	6/1/2026	Current
Daniel Liburdi	17,000.00	17,000.00	6/1/2026	Current
Denise O'Donnell	10,000.00	10,000.00	6/1/2026	Current
F.A. Guernsey, Co., Inc.	118,273.72	118,273.72	6/1/2024	Bankruptcy
Fuller Holding Company, LLC	155,531.81	154,113.65	2/1/2035	Current
Highland Hollow Farm, LLC	50,000.00	50,000.00	11/1/2026	Current
Integrated Wood Components, Inc.	100,000.00	100,000.00	9/1/2026	Current
Melissa Beers	25,000.00	25,000.00	5/1/2026	Current
Mountain Fresh Dairy	92,416.06	92,416.06	12/1/2021	Litigation
MS Machining	11,858.65	-	7/1/2022	Current
Odyssey Semiconductor Technology	100,000.00	100,000.00	8/1/2026	Current
Prepared Power	55,994.78	55,632.72	10/1/2033	Current
Paulus Development Company, LLC	237,067.98	233,338.38	6/1/2030	Current
Roberts Stone	31,518.79	31,518.79	7/1/2022	90 Days
Sirgany Eyecare	58,037.89	52,046.80	4/1/2022	Current
SpecOp Tactical Center	70,453.61	70,453.61	5/1/2024	Litigation
T-Squared Custom Millwork, Inc.	24,651.04	23,557.49	4/1/2024	Current
ZDD LLC, DBA The Shop	-	40,000.00	2/1/2027	Current
TOTAL	1,743,076.16	1,748,154.26		

Business Development Fund Status

BORROWER	Opening Balance 1/1/2021	Current Balance 2/28/2021	Maturity Date	Status 2/28/2021
17 Kentucky Ave., LLC	89,583.06	88,648.65	10/1/2033	Current
20 Delaware Ave., LLC	90,504.95	87,202.10	1/1/2025	Current
24 Charlotte Street, LLC	-	100,000.00	1/1/2027	Current
265 Main St, LLC	139,534.87	138,626.89	9/1/2033	Current
Mechanical Specialties Co.	9,487.02	-	7/1/2022	Current
Roberts Stone	20,589.22	20,589.22	7/1/2022	90 Days
SpecOp Tactical Center	74,856.90	74,856.90	5/1/2024	Litigation
250 Main Street, LLC	48,333.79	48,049.56	10/1/2029	Current
Total	472,889.81	557,973.32		

BR+E Loan Status

BORROWER	Opening Balance 1/1/2021	Current Balance 2/28/2021	Maturity Date	Status 2/28/2021
24 Charlotte Street, LLC	-	50,000.00	1/1/2027	Current
265 Main St, LLC	46,511.70	46,209.05	9/1/2033	Current
Gordon Dusingberre, DBA Northside Auto	25,000.00	25,000.00	10/1/2026	Current
Grow Hemp, LLC	41,521.67	41,521.67	11/1/2025	Current
Prepared Power	46,662.32	46,360.61	10/1/2033	Current
250 Main Street, LLC	48,333.79	48,049.56	10/1/2029	Current
Total	208,029.48	257,140.89		

Loan Delinquency Status

STEED

F. A. Guernsey
Mountain Fresh Dairy
SpecOp Tactical
Roberts Stone

Bankruptcy
Litigation
Litigation
90 Days

BDF

SpecOp Tactical
Roberts Stone

Litigation
90 Days

**BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY
LOAN FUNDS ACTIVITY AS OF
February 28, 2021**

STEED ACCOUNT BALANCE: \$ 13,201.86

Amount held at ARC in Washington, DC \$ -

LOAN COMMITMENTS	Commitment Date	Expiration Date
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Total STEED Loans Commitments

Available to Lend \$ 13,201.86

BDF ACCOUNT BALANCE: \$ 361,840.68

LOAN COMMITMENTS	Commitment Date	Expiration Date
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Total BDF Loan Commitments \$ -

Available to Lend \$ 361,840.68

BR+E \$ 42,859.11

LOAN COMMITMENTS	Commitment Date	Expiration Date
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Antonio's Bar & Trattoria, LLC	\$ 25,000.00	2/17/2021 8/16/2021
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Total BRE Loan Commitments \$ 25,000.00

Available to Lend \$ 17,859.11

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE AT THE CONCLUSION OF THE AUDIT

Board of Directors
Broome County Industrial Development Agency
Binghamton, New York

We have audited the financial statements of the Broome County Industrial Development Agency (the Agency), a component unit of the County of Broome, New York, for the year ended December 31, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 4, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Agency are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2020. We noted no transactions entered into by the Agency during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were depreciation expense and fair value measurements for investments.

Management's estimate of depreciation expense is based on the estimated useful lives of capital assets and fair value measurements for investments is based on fair value hierarchy and market conditions. We evaluated key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were investments, loans receivable, notes receivable, and capital assets.

The disclosures of investments, loans receivable, notes receivable, and capital assets are presented in Notes 4, 5, 7, and 11 to the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the Agency's financial statements taken as a whole. Additionally, we assisted management with certain closing entries, which is considered a nonaudit service.

Disagreements With Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated _____, 2021.

Management Consultations With Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Agency's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Agency's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Schedule of Projects, which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Directors, Audit Committee, and management of the Agency and is not intended to be, and should not be, used by anyone other than these specified parties.

Respectfully submitted,

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
_____, 2021

**BROOME COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
AND LOCAL DEVELOPMENT
CORPORATION**

Binghamton, New York

EXECUTIVE SUMMARY

**For the Year Ended
December 31, 2020**

**BROOME COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
AND LOCAL DEVELOPMENT CORPORATION**

EXECUTIVE SUMMARY OF 2020 AUDIT REPORT AND FINDINGS

Basic Financial Statements

Independent Auditors' Report on Basic
Financial Statements

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*

Description of Report and Findings

Unmodified opinion on the Broome County Industrial
Development Agency's (the Agency) basic financial
statements for the year ended December 31, 2020.

Unmodified opinion on the Broome County Local
Development Corporation's (the Corporation) basic
financial statements for the year ended December 31, 2020.

Report on: the Agency's compliance with laws and
regulations that may have a direct and material effect on the
basic financial statements; the Agency's internal control
structure, policies, and procedures based on the auditors'
understanding of the internal control structure; and
assessment of control risk obtained as part of the audit of
the basic financial statements. This report identified **no
instances of noncompliance and no material internal
control weaknesses** at the financial statement level.

Report on: the Corporation's compliance with laws and
regulations that may have a direct and material effect on the
basic financial statements; the Corporation's internal control
structure, policies, and procedures based on the auditors'
understanding of the internal control structure; and
assessment of control risk obtained as part of the audit of
the basic financial statements. This report identified **no
instances of noncompliance and no material internal
control weaknesses** at the financial statement level.

***BROOME COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
AND LOCAL DEVELOPMENT CORPORATION***

EXECUTIVE SUMMARY OF 2020 AUDIT REPORT AND FINDINGS

Communication With Those Charged With Governance at the Conclusion of the Audit

A letter that specifically addresses certain required communications to the Boards of the Agency and the Corporation in accordance with professional standards. There were **no comments of concern** to be reported regarding the following:

- Qualitative Aspects of Accounting Practices
- Difficulties Encountered in Performing the Audit
- Corrected and Uncorrected Misstatements
- Disagreements with Management
- Management Representations
- Management Consultations with Other Independent Accountants
- Other Audit Findings or Issues
- Other Matters

Management Comment Letter

The Agency: Letter of comments dated _____, 2021 that communicates no significant deficiencies or material weaknesses have been reported.

The Corporation: Letter of comments dated _____, 2021 that communicates no significant deficiencies or material weaknesses have been reported.

BROOME COUNTY

INDUSTRIAL DEVELOPMENT AGENCY

AND LOCAL DEVELOPMENT CORPORATION

FIVE YEAR FINANCIAL STATEMENT ANALYSIS

	<u>December 31, 2020</u>	<u>December 31, 2019</u>	<u>December 31, 2018</u>	<u>December 31, 2017</u>	<u>December 31, 2016, restated</u>
INDUSTRIAL DEVELOPMENT AGENCY					
ASSETS					
Cash and Cash Equivalents - Unrestricted	\$ 785,786	\$ 671,806	\$ 821,729	\$ 2,513,915	\$ 1,596,799
Cash and Cash Equivalents - Restricted	480,959	1,005,843	621,416	596,154	1,062,227
Investments	7,132,513	6,897,363	7,053,674	4,474,448	4,455,830
Accounts Receivable	135,409	52,500		174,225	335,000
Pass Through Receivable	6,686	12,464	79,938		
Due from County	80,000	285,700	322,542	327,542	339,612
Due from Binghamton Local Development Corp.	551,342	385,000			
Notes Receivable	1,098,043	1,530,422	578,577	619,391	762,336
Loans Receivable	2,423,998	1,777,902	2,078,542	1,965,642	1,569,057
Mortgage Receivable	3,219,297	3,222,492	3,246,654	3,324,296	
Property Held Under PILOT Agreements					6,087,377
Property Held for Resale	2,097,017	2,097,017	3,908,116	3,787,533	5,664,117
Capital Assets, Net	6,961,571	7,915,531	9,972,433	10,175,046	6,363,334
Total Assets	<u>\$ 24,972,621</u>	<u>\$ 25,854,040</u>	<u>\$ 28,683,621</u>	<u>\$ 27,958,192</u>	<u>\$ 28,235,689</u>
LIABILITIES					
Accounts Payable, Accrued Expenses, and Other	\$ 28,820	\$ 77,357	\$ 58,635	\$ 44,641	\$ 6,157,841
Total Liabilities	<u>28,820</u>	<u>77,357</u>	<u>58,635</u>	<u>44,641</u>	<u>6,157,841</u>
NET POSITION					
Net Investment in Capital Assets	6,961,571	7,915,531	9,972,433	10,175,046	6,363,334
Restricted for Loans	2,588,846	2,544,862	2,845,902	2,561,815	2,624,511
Unrestricted	15,393,384	15,316,290	15,806,651	15,176,690	13,090,003
Total Net Position	<u>24,943,801</u>	<u>25,776,683</u>	<u>28,624,986</u>	<u>27,913,551</u>	<u>22,077,848</u>
Total Liabilities and Net Position	<u>\$ 24,972,621</u>	<u>\$ 25,854,040</u>	<u>\$ 28,683,621</u>	<u>\$ 27,958,192</u>	<u>\$ 28,235,689</u>
LOCAL DEVELOPMENT CORPORATION					
ASSETS					
Cash and Cash Equivalents - Unrestricted	\$ 420,879	\$ 114,269	\$ 148,862	\$ 177,434	\$ 167,673
Accounts Receivable	75,000	75,000			
Total Assets	<u>\$ 495,879</u>	<u>\$ 189,269</u>	<u>\$ 148,862</u>	<u>\$ 177,434</u>	<u>\$ 167,673</u>
LIABILITIES					
Unearned Revenue and Accounts Payable	\$ 10,300	\$ 3,700	\$ 9,394	\$ 53,450	\$
Total Liabilities	<u>10,300</u>	<u>3,700</u>	<u>9,394</u>	<u>53,450</u>	<u>-</u>
NET POSITION					
Unrestricted	485,579	185,569	139,468	123,984	167,673
Total Net Position	<u>485,579</u>	<u>185,569</u>	<u>139,468</u>	<u>123,984</u>	<u>167,673</u>
Total Liabilities and Net Position	<u>\$ 495,879</u>	<u>\$ 189,269</u>	<u>\$ 148,862</u>	<u>\$ 177,434</u>	<u>\$ 167,673</u>

Note: Abstracted from Audited Financials. See Audit Reports for Complete Information.

**BROOME COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
AND LOCAL DEVELOPMENT CORPORATION**

FIVE YEAR FINANCIAL STATEMENT ANALYSIS

	<u>December 31, 2020</u>	<u>December 31, 2019</u>	<u>December 31, 2018</u>	<u>December 31, 2017</u>	<u>December 31, 2016</u>
INDUSTRIAL DEVELOPMENT AGENCY					
REVENUES					
Fee Income	\$ 631,069	\$ 1,128,390	\$ 848,571	\$ 939,807	\$ 646,564
Rental Income	86,100	98,612	90,598	883,724	2,765,877
Other Income	84,165	64,195	88,954	32,892	5,530
State Grant			484,194	3,865,806	
State Aid			2,000	718,839	293,908
Grant Income	166,668		300,000		
Investment Income	188,062	267,874	89,314	33,210	53,651
Loan Interest Earned	42,725	61,272	163,138	92,285	71,972
Gain (Loss) on Sale of Assets	(638,282)	(3,082,597)	1,908	1,923,402	
Total Revenues	<u>560,507</u>	<u>(1,462,254)</u>	<u>2,068,677</u>	<u>8,489,965</u>	<u>3,837,502</u>
EXPENSES					
Rental Expense				474,946	594,359
Salaries and Benefits	614,052	666,583	662,781	597,650	581,395
Depreciation	137,370	227,941	226,549	132,571	347,313
Professional Fees	196,490	139,148	98,682	175,217	197,340
Office Expense	36,628	59,764	51,218	101,149	120,615
Grant Expense	100,000				
Multi-Modal Expenses			2,000	621,901	85,275
Other Expenses	308,849	292,613	316,012	550,828	410,620
Total Expenses	<u>1,393,389</u>	<u>1,386,049</u>	<u>1,357,242</u>	<u>2,654,262</u>	<u>2,336,917</u>
Change in Net Position	<u>\$ (832,882)</u>	<u>\$ (2,848,303)</u>	<u>\$ 711,435</u>	<u>\$ 5,835,703</u>	<u>\$ 1,500,585</u>
LOCAL DEVELOPMENT CORPORATION					
REVENUES					
Fee Income	\$ 374,675	\$ 175,175	\$ 24,675	\$ 23,675	\$ 23,675
Other Income	75,000	83,177	174,950	1,491	
Total Revenues	<u>449,675</u>	<u>258,352</u>	<u>199,625</u>	<u>25,166</u>	<u>23,675</u>
EXPENSES					
Sponsorship Expenses	119,665	148,641	152,239	60,805	81,211
General and Administrative Expenses	30,000	63,610	31,902	8,050	7,466
Total Expenses	<u>149,665</u>	<u>212,251</u>	<u>184,141</u>	<u>68,855</u>	<u>88,677</u>
Change in Net Position	<u>\$ 300,010</u>	<u>\$ 46,101</u>	<u>\$ 15,484</u>	<u>\$ (43,689)</u>	<u>\$ (65,002)</u>

Note: Abstracted from Audited Financials. See Audit Reports for Complete Information.

BROOME COUNTY

INDUSTRIAL DEVELOPMENT AGENCY

FIVE YEAR FINANCIAL STATEMENT ANALYSIS

	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
Cash Flows From Operating Activities					
Cash Received from Providing Services	\$ 1,290,871	\$ 294,843	\$ 1,124,410	\$ 2,703,145	\$ 3,494,828
Cash Payments - Salaries Expense	(614,052)	(666,583)	(662,781)	(597,650)	(581,395)
Cash Payments - Contractual Expenses	(690,504)	(455,375)	(453,918)	(1,916,972)	(1,397,333)
Net Cash Provided (Used) by Operating Activities	(13,685)	(827,115)	7,711	188,523	1,516,100
Cash Flows From Non-Capital Financing Activities					
Principal Payments from County	205,700	36,842	5,000	12,070	83,918
Net Cash Provided (Used) by Non-Capital Financing Activities	205,700	36,842	5,000	12,070	83,918
Cash Flows From Capital and Related Financing Activities					
Grant Revenue			784,194	3,865,806	
Sale of Capital Assets	185,508	435,000			720,183
Sale (Purchase) of Property Held for Resale		125,000	(120,583)		
Purchase of Capital Assets	(7,200)	(8,723)	(23,936)	(3,499,227)	(1,090,158)
Net Cash Provided (Used) by Capital and Related Financing Activities	178,308	551,277	639,675	366,579	(369,975)
Cash Flows From Investing Activities					
Principal Payments on Notes Receivable	32,379	42,055	40,814	142,944	130,752
Principal Payments on Loans Receivable	293,504	400,640	577,100	407,915	378,419
New Loans Issued	(939,600)	(485,000)	(690,000)	(804,500)	
New Loans Issued- Binghamton LDC	(166,342)				
Mortgage Payments Received	3,195	24,162	77,642	31,480	
Purchase of Assets Held for Sale					(1,399,099)
Investment Income	188,062	274,060	91,222	33,210	53,651
Purchase of Investments	(3,283,622)	(984,269)	(3,384,384)		
Sale of Investments	3,048,472	1,140,580	805,158		714,786
Interest Income Received	42,725	61,272	163,138	72,822	53,651
Net Cash Provided (Used) by Investing Activities	(781,227)	473,500	(2,319,310)	(116,129)	(67,840)
Net Change in Cash and Cash Equivalents	(410,904)	234,504	(1,666,924)	451,043	1,162,203
Cash and Cash Equivalents, Beginning of Year	1,677,649	1,443,145	3,110,069	2,659,026	1,496,823
Cash and Cash Equivalents, End of Year	\$ 1,266,745	\$ 1,677,649	\$ 1,443,145	\$ 3,110,069	\$ 2,659,026
Reconciliation of Net Operating Gain (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating (Loss) Gain	\$ (425,387)	\$ (94,852)	\$ (327,119)	\$ (79,000)	\$ 1,111,934
Gain to Net Cash Provided by Operating Activities:					
Depreciation	137,370	227,941	226,549	132,571	347,313
(Increase) Decrease in Accounts Receivable	(82,909)	(52,500)	174,225	160,775	51,507
(Increase) Decrease in Notes Receivable	400,000	(993,900)			
Increase (Decrease) in Prepaid Expenses	5,778	43,226	(79,938)		
Increase (Decrease) in Accounts Payable	(48,537)	60,398	13,994	7,069	10,876
Increase (Decrease) in Unearned Revenue		(17,428)		(32,892)	(5,530)
Net Cash Provided (Used) by Operating Activities	\$ (13,685)	\$ (827,115)	\$ 7,711	\$ 188,523	\$ 1,516,100

Note: Abstracted from Audited Financials. See Audit Reports for Complete Information.

***BROOME COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
AND LOCAL DEVELOPMENT CORPORATION***

AUDIT FOCUS: REPORTING OBJECTIVES

- 1) Basic Financial Statements
 - *Management's Discussion and Analysis
 - *Statement of Net Position
 - *Statement of Revenues, Expenses, and Changes in Net Position
 - *Statement of Cash Flows
 - *Notes to Financial Statements
- 2) Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

AUDIT APPROACH

- *Preliminary Planning
- *Consideration of Internal Control Over Financial Reporting
- *Tests of Controls
- *Tests of Compliance with Laws and Regulations
- *Substantive Testing Financial Information (Includes Analytical Review)

UNDERSTANDING THE AGENCY'S OPERATIONS

- *Services Provided
- *Assessment of Accounting and Reporting System
- *Nature of Activities
- *Special Reporting Requirements
- *Nature of Compliance Requirements
- *Assessment of Management

FACTORS AFFECTING THE SCOPE OF THE AUDIT

- *Effectiveness of Overall Financial Controls
- *Appropriate Segregation of Duties
- *Ability to Demonstrate Compliance with Laws and Regulations
- *Effectiveness of Budget Process Administration
- *Accuracy and Comprehensiveness of Internal Reporting
- *Existence of Adequate Policies and Procedures
- *Ability to Issue Timely and Accurate Financial Reports

MANAGEMENT COMMENT LETTER

Board of Directors
Broome County Industrial Development Agency
Binghamton, New York

In planning and performing our audit of the financial statements of Broome County Industrial Development Agency (the Agency), as of and for the year ended December 31, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. 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.

This communication is intended solely for the information and use of management, the Board of Directors, Audit Committee, and management of the Agency, and is not intended to be, and should not be, used by anyone other than these specified parties.

Respectfully submitted,

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
_____, 2021

BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Binghamton, New York

FINANCIAL REPORT

**For the Year Ended
December 31, 2020**

***BROOME COUNTY
INDUSTRIAL DEVELOPMENT AGENCY***

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Broome County Industrial Development Agency
Binghamton, New York

Report on the Financial Statements

We have audited the accompanying financial statements of Broome County Industrial Development Agency (the Agency), a component unit of the County of Broome, New York, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Agency'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 Agency'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 respectively financial position of Broome County Industrial Development Agency as of December 31, 2020 and the changes in financial position and cash flows thereof for the year then ended in accordance 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 on pages 4-4d be presented to supplement the basic financial statements. Such 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. We 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 we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Agency's basic financial statements. The Schedule of Projects is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Projects is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic 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 Schedule of Projects 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*, we have also issued our report dated _____, 2021, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the Agency's 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 Broome County Industrial Development Agency's internal control over financial reporting and compliance.

Respectfully submitted,

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
_____, 2021

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BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2020

The following Management's Discussion and Analysis (MD&A) provides a comprehensive overview of the Broome County Industrial Development Agency's (the Agency) financial position as of December 31, 2020 and the results of its operations for the year then ended. Management has prepared the financial statements and related footnote disclosures along with this MD&A. The MD&A should be read in conjunction with the audited financial statements and related footnotes of the Agency, which directly follow the MD&A.

FINANCIAL HIGHLIGHTS

- The assets of the Agency exceeded its liabilities at the close of the fiscal year ended December 31, 2020 by \$24,943,801 compared to \$25,776,683 at December 31, 2019.
- Total revenues in 2020 were \$560,507 compared to revenues of \$(1,462,254) in 2019. The large increase stems from the loss on sale of property and equipment in 2019 which did not occur in 2020.
- Total expenses of \$1,393,389 in 2020 increased by \$7,340 from total expenses of \$1,386,049 in 2019. The increase in expenses is due to increases in professional fees consisting of legal fees and professional development fees (consisting of the public relations contract).

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The financial statements of the Agency have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

The basic financial statements consist of a Statement of Net Position; a Statement of Revenues, Expenses and Changes in Net Position; a Statement of Cash Flows; and accompanying notes. These statements provide information on the financial position of the Agency and the financial activity and results of its operations during the year. A description of these statements follows:

- **Statement of Net Position** presents information on all the Agency's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating.
- **Statement of Revenues, Expenses, and Changes in Net Position** presents information showing the change in the Agency's net position during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of cash flows. Thus, revenues and expenses reported in this statement include all items that will result in cash received or disbursed in future fiscal periods.
- **Statement of Cash Flows** provides information on the major sources and uses of cash during the year. The cash flow statement portrays net cash provided or used by operating, non-capital financing, capital financing, and investing activities.

BROOME COUNTY

INDUSTRIAL DEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020

FINANCIAL ANALYSIS OF THE AGENCY AS A WHOLE

Our analysis below focuses on the net position (*Figure 1*) and changes in net position (*Figure 2*) of the Agency's activities.

Figure 1

Condensed Statement of Net Position	Total Agency		Total Dollar Change
	2019	2020	2019-2020
Current Assets:			
Cash and Cash Equivalents - Unrestricted	\$ 671,806	\$ 785,786	\$ 113,980
Investments	6,897,363	4,151,675	(2,745,688)
Accounts Receivable	52,500	135,409	82,909
Pass-Through Receivable	12,464	6,686	(5,778)
Due from County - Current Portion	71,659	5,000	(66,659)
Notes Receivable - Current Portion	443,335	144,319	(299,016)
Loans Receivable - Current Portion	322,941	279,110	(43,831)
Mortgage Receivable - Current Portion	135,039	135,145	106
Total Current Assets	8,607,107	5,643,130	(2,963,977)
Noncurrent Assets:			
Cash and Cash Equivalents - Restricted	1,005,843	480,959	(524,884)
Investments		2,980,838	2,980,838
Notes Receivable - Noncurrent Portion	1,087,087	953,724	(133,363)
Loans Receivable - Noncurrent Portion	1,454,961	2,144,888	689,927
Mortgage Receivable - Noncurrent Portion	3,087,453	3,084,152	(3,301)
Due from County - Noncurrent Portion	214,041	75,000	(139,041)
Due from Binghamton Local Development Corp.	385,000	551,342	166,342
Property Held for Resale	2,097,017	2,097,017	-
Capital Assets, Net	7,915,531	6,961,571	(953,960)
Total Assets	25,854,040	24,972,621	(881,419)
Current Liabilities:			
Accounts Payable and Accrued Expenses	69,713	21,176	(48,537)
Unearned Revenue	6,803	6,803	-
Security Deposits	841	841	-
Total Liabilities	77,357	28,820	(48,537)
Net Position:			
Net Investment in Capital Assets	7,915,531	6,961,571	(953,960)
Restricted for Loans	2,544,862	2,588,846	43,984
Unrestricted	15,316,290	15,393,384	77,094
Total Net Position	\$ 25,776,683	\$ 24,943,801	\$ (832,882)

BROOME COUNTY

INDUSTRIAL DEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS

DECEMBER 31, 2020

Total assets decreased 3.41%. This decrease stems from the sale of capital assets to the Binghamton Local Development Corporation. The Agency used cash during the year to invest in Treasury notes and economic development loans.

Total liabilities decreased 62.74%, This change is due to a decrease in accounts payable.

Total net position decreased 3.23% due to expenses over revenue in addition to loss on the 2020 sale of assets.

Our analysis in *Figure 2* considers the operations of the Agency's activities.

Figure 2

Changes in Net Position	Total Agency		Total Dollar Change
	2019	2020	2019-2020
<i>Operating Revenues:</i>			
<i>Fee Income</i>	\$ 1,128,390	\$ 631,069	\$ (497,321)
<i>Rental Income</i>	98,612	86,100	(12,512)
<i>Grant Income</i>		166,668	166,668
<i>Other Income</i>	64,195	84,165	19,970
<i>Nonoperating Revenues:</i>			
<i>Investment Income</i>	267,874	188,062	(79,812)
<i>Loan Interest Earned</i>	61,272	42,725	(18,547)
<i>Gain (Loss) on Sale of Assets</i>	(3,082,597)	(638,282)	2,444,315
Total Revenues	\$ (1,462,254)	\$ 560,507	\$ 2,022,761
<i>Operating Expenses:</i>			
<i>Salaries and Benefits Expense</i>	\$ 666,583	\$ 614,052	\$ (52,531)
<i>Depreciation Expense</i>	227,941	137,370	(90,571)
<i>Professional Fees</i>	139,148	196,490	57,342
<i>Office Expense</i>	59,764	36,628	(23,136)
<i>Grant Expense</i>		100,000	100,000
<i>Other Expenses</i>	292,613	308,849	16,236
Total Expenses	\$ 1,386,049	\$ 1,393,389	\$ 7,340
CHANGE IN NET POSITION	\$ (2,848,303)	\$ (832,882)	\$ 2,015,421

Total revenue increased 138.33% from the prior year. This increase stems from a smaller loss on sale of property and equipment in comparison to prior year. Fee income fluctuates from year to year depending on the number and size of new projects closed during the year.

Total expenses increased 0.53% from the prior year. The increase in expenses is attributable to increases in professional fees, consisting of legal fees, and professional development fees for public relations. Grant expenses were for economic development opportunity purposes.

BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2020

CAPITAL ASSETS

At December 31, 2020, the Agency had invested in a board range of capital assets totaling \$7,429,562 offset by accumulated depreciation of \$467,991. *Figure 3* shows the changes in the Agency's capital assets.

Figure 3

<i>Changes in Capital Assets</i>	<i>Total Agency</i>		<i>Total Dollar Change</i>
	<i>2019</i>	<i>2020</i>	<i>2019-2020</i>
<i>Land</i>	\$ 2,624,387	\$ 2,101,573	\$ (522,814)
<i>Buildings and Improvements, Net</i>	5,283,090	4,846,292	(436,798)
<i>Equipment, Net</i>	8,054	13,706	5,652
<i>Totals</i>	\$ 7,915,531	\$ 6,961,571	\$ (953,960)

Capital assets, net, decreased 12.05%. This decrease is attributed to the sale of land in addition to depreciation of the Agency's various assets.

FACTORS BEARING ON THE AGENCY'S FUTURE

- The Agency updated its Action Plan for 2021-2025. The Action Plan outlined five strategic priorities: workforce and talent attraction, advancing the "iDistricts" in Binghamton, Johnson City and Endicott, reducing the impact of development barriers, implementing a comprehensive business and recruitment strategy and strengthening the capacity of the Agency. The vision of the Agency remains the same: to be recognized as the lead economic development organization in Broome County.
- The Agency will continue to be an active participant in the County-wide workforce talent attraction committee.
- The Board of Directors and staff began discussions on the implementation of a strategy to address the lack of sufficient housing for young professionals and the need for development of additional market rate housing. The Agency is in the process of updating our 2017 Housing Study and will use the new study to address and measure our housing needs.
- The Agency has also sent a Request for Expression of Interest out to the development community with mixed responses. Two serious inquiries were received and a presentation for one was made. The feasibility study suggested the construction of a mixed use (commercial and residential) facility, and none of the current proposals fulfill that suggestion. The Agency is currently considering proposals.

BROOME COUNTY
INDUSTRIAL DEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

- In lieu of the COVID-19 pandemic the landscape of economic development is uncertain; however, we continue to move forward assisting our local businesses and developers remain successful through this difficult time.

CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Agency's clients, investors, and creditors with a general overview of the Agency's finances and to demonstrate the Agency's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Broome County Industrial Development Agency at 5 South College Drive, Binghamton, New York 13905

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BROOME COUNTY

INDUSTRIAL DEVELOPMENT AGENCY

STATEMENT OF NET POSITION FOR THE YEAR ENDED DECEMBER 31, 2020

ASSETS

Current Assets

Cash and Cash Equivalents - Unrestricted	\$ 785,786
Investments	4,151,675
Accounts Receivable	135,409
Pass-Through Receivable	6,686
Due from County - Current Portion	5,000
Notes Receivable - Current Portion	144,319
Loans Receivable - Current Portion	279,110
Mortgage Receivable - Current Portion	135,145
Total Current Assets	<u>5,643,130</u>

Noncurrent Assets

Cash and Cash Equivalents - Restricted	480,959
Investments	2,980,838
Notes Receivable - Noncurrent Portion	953,724
Loans Receivable, Net - Noncurrent Portion	2,144,888
Mortgage Receivable - Noncurrent Portion	3,084,152
Due from County - Noncurrent Portion	75,000
Due from Binghamton Local Development Corporation	551,342
Property Held for Resale	2,097,017
Non-Depreciable Capital Assets	2,101,573
Depreciable Capital Assets, Net	4,859,998
Total Noncurrent Assets	<u>19,329,491</u>

Total Assets	<u>\$ 24,972,621</u>
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LIABILITIES AND NET POSITION

LIABILITIES

Current Liabilities

Accounts Payable and Accrued Expenses	\$ 21,176
Unearned Revenue	6,803
Security Deposits	841
Total Liabilities	<u>28,820</u>

NET POSITION

Net Investment in Capital Assets	6,961,571
Restricted for Loans	2,588,846
Unrestricted	15,393,384
Total Net Position	<u>24,943,801</u>
Total Liabilities and Net Position	<u>\$ 24,972,621</u>

See Notes to Financial Statements

BROOME COUNTY
INDUSTRIAL DEVELOPMENT AGENCY

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2020

Operating Revenues

Fee Income	\$ 631,069
Rental Income	86,100
Grant Income	166,668
Other Income	<u>84,165</u>

Total Operating Revenues

968,002

Operating Expenses

Salaries and Benefits	614,052
Depreciation Expense	137,370
Professional Fees	196,490
Office Expense	36,628
Other Administrative Expenses	77,461
Marketing Initiative Expenses	98,387
Insurance	17,346
Repairs, Maintenance, and General	87,418
Professional Development Expense	20,848
Broome County Corporate Park Maintenance	7,389
Grant Expense	<u>100,000</u>

Total Operating Expenses

1,393,389

Operating Income (Loss)

(425,387)

Non-Operating Revenues

Investment Income	188,062
Loan Interest Earned	42,725
Gain (Loss) on Sale of Assets	<u>(638,282)</u>

Total Non-Operating Revenues (Expenses)

(407,495)

Change in Net Position

(832,882)

Net Position, January 1, 2020

25,776,683

Net Position, December 31, 2020

\$ 24,943,801

See Notes to Financial Statements

BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2020

Cash Flows From Operating Activities	
Cash Received from Providing Services	\$ 1,290,871
Cash Payments - Salaries Expense	(614,052)
Cash Payments - Contractual Expenses	<u>(690,504)</u>
Net Cash Provided (Used) by Operating Activities	<u>(13,685)</u>
Cash Flows From Non-Capital Financing Activities	
Principal Payments from County	<u>205,700</u>
Net Cash Provided (Used) by Non-Capital Financing Activities	<u>205,700</u>
Cash Flows From Capital and Related Financing Activities	
Sale of Capital Assets	185,508
Purchase of Capital Assets	<u>(7,200)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>178,308</u>
Cash Flows From Investing Activities	
Principal Payments on Notes Receivable	32,379
Principal Payments on Loans Receivable	293,504
New Loans Issued	(939,600)
New Loans Issued - Binghamton LDC	(166,342)
Mortgage Payments Received	3,195
Purchase of Investments	(3,283,622)
Sale of Investments	3,048,472
Investment Income	188,062
Interest Income Received	<u>42,725</u>
Net Cash Provided (Used) by Investing Activities	<u>(781,227)</u>
Net Change in Cash and Cash Equivalents	(410,904)
Cash and Cash Equivalents, January 1, 2020	<u>1,677,649</u>
Cash and Cash Equivalents, December 31, 2020	<u>\$ 1,266,745</u>
Reconciliation of Net Operating Income (Loss) to Net Cash Provided by Operating Activities:	
Operating Income (Loss)	\$ (425,387)
Adjustments to Reconcile Net Operating Income (Loss) to Net Cash Provided	
(Used) by Operating Activities:	
Depreciation	137,370
(Increase) Decrease in Accounts Receivable	(82,909)
(Increase) Decrease in Note Receivable	400,000
(Increase) Decrease in Pass-Through Receivable	5,778
Increase (Decrease) in Accounts Payable	<u>(48,537)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (13,685)</u>

See Notes to Financial Statements

BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

***Note 1* Summary of Significant Accounting Policies**

The financial statements of Broome County Industrial Development Agency (the Agency) have been prepared in conformity with generally accepted accounting principles (U.S. GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing U.S. GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Agency's accounting policies are described below.

Financial Reporting Entity

The Agency was created in 1971 by the Broome County Legislature under the provisions of Chapter 535 of the 1971 Laws of New York State for the purpose of encouraging economic growth in Broome County. The Agency is exempt from federal, state, and local income taxes. The Agency, although established by the Broome County Board of Representatives, is a separate entity and operates independently of the County. The Agency is considered a component unit of the County.

The financial reporting entity consists of (a) the primary government which is the Broome County Industrial Development Agency; (b) organizations for which the primary government is financially accountable; and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth in GASB Statement No. 14, "The Financial Reporting Entity," as amended.

The decision to include a potential component unit in the County's reporting entity is based on several criteria set forth in GASB Statement No. 14, "The Financial Reporting Entity," as amended.

Basis of Accounting

The accounts of the Agency are maintained on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned. Expenses are recorded when the liability is incurred.

Cash and Cash Equivalents

The Agency considers all highly liquid investments having an original maturity of three months or less to be cash equivalents.

BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

***Note 1* Summary of Significant Accounting Policies - Continued**

Investments

Investments consist of U.S. Treasury notes and are stated at fair value based on quoted market prices.

Loans Receivable

The Agency acquired funds from the Appalachian Regional Commission in the 1970s to administer the STEED loan fund. This program is considered a revolving loan program as the purpose is to be able to take the repayments of existing loans and loan those funds out to future project applicants. The purpose of these funds is to create economic development in Broome County. A STEED loan cannot be used to finance the costs of an entire project. In addition, the Agency administers business development and business retention and expansion loan funds. The loan program allows for reimbursement of administrative and overhead costs incurred for the program. For the year ended December 31, 2020, the program reimbursed operating expenses of \$34,000.

Allowance for Uncollectible Loans

The Agency follows the policy of evaluating its loans receivable to adequately reserve for anticipated losses. Management believes all loans receivable are deemed collectible; therefore, no reserve for the loans has been established as of December 31, 2020.

Capital Assets

All property and equipment acquired with grant funds are owned by the Agency and are used in the programs for which they were purchased. There are no revisionary interests by grantor agencies in the assets. Capital assets as defined by the Agency are assets with an initial unit cost of \$1,500 or more and an estimated life in excess of two years. Donated capital assets are recorded at estimated fair value at the date of the donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed and depreciated when placed in service.

Depreciation of property and equipment is provided on a straight-line basis over the following useful lives:

<u>Asset</u>	<u>Years</u>
Buildings	30-40
Building Improvements	10-20
Equipment	3-7

BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

***Note 1* Summary of Significant Accounting Policies - Continued**

Equity Classifications

Equity is classified as net position and displayed in three components:

- **Net Investment in Capital Assets** consists of capital assets including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, mortgage, notes or other borrowings that are attributable to the acquisition, construction, or improvements of those assets.
- **Restricted for Loans** consists of net resources with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or 2) law through constitutional provisions or enabling legislation.
- **Unrestricted** consists of all other resources that do not meet the definition of “net investment in capital assets” or “restricted.”

Fee Income, Grant and Contract Support

The Agency charges a service fee for each project, the proceeds of which are intended to offset Agency expenses and fund continuing operations.

Non-Operating Revenues

Non-operating activities include gains or losses on disposal of capital assets or property held for resale, investment income, grant income, loan interest, and state grants.

Tax-Exempt Bond Transactions

The Agency is an issuer of tax-exempt bond and lease financing for qualified projects. These bonds and leases are the obligation of the borrower. Because the Agency has no obligation to repay the principal and interest of such bonds and leases, they are not reflected as liabilities in the accompanying financial statements. The Agency receives issuance fees from the borrower for providing this service. These fees are recognized immediately upon issuance of the related debt. The Agency did not issue any bonds during 2020, nor were any bonds outstanding as of December 31, 2020.

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 disclosure 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.

BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2020

Note 2* **Cash and Cash Equivalents*

State statutes govern the Agency's investment policies. In addition, the Agency has its own written investment policy. Monies must be deposited in Federal Deposit Insurance Corporation (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 the U.S. Treasury and obligations of New York State or its localities.

Collateral is required for demand deposits and certificates of deposit for the Agency at 105% and 100%, respectively, of all deposits not covered by federal deposit insurance. Obligations that 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.

Total bank balances of the Agency of \$1,438,890 at December 31, 2020 were covered by FDIC insurance up to \$250,000. As of December 31, 2020, all deposits with financial institutions were either insured or collateralized with securities held by the pledging financial institution in the Agency's name.

Restricted cash of \$480,959 consists of cash for the Agency's STEED and BDF loan funds.

Note 3* **Pass-Through Receivable*

The Agency has facilitated the receipt of and payment of certain grant funds on behalf of other organizations. As of December 31, 2020, the Agency had a pass-through receivable of \$6,686 due to the timing of repayment to the Agency.

Note 4* **Investments*

The Agency categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation of inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Agency has the following recurring fair value measurements as of December 31, 2020: U.S. Treasury notes of \$7,132,513 are valued using quoted market prices (Level 1). Treasury notes that have a maturity greater than one year are classified as noncurrent assets.

BROOME COUNTY

INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

Note 5 Loans Receivable

Loans receivable, net, for the year ended December 31, 2020, is summarized as follows:

	Business Development Revolving Loan	STEED	Business Retention and Expansion	Total
Principal Balance at January 1, 2020	\$ 635,604	\$ 953,715	\$ 188,583	\$1,777,902
New Loans	155,532	759,068	25,000	939,600
Principal Repayments	(162,714)	(125,237)	(5,553)	(293,504)
Balance at December 31, 2020	628,422	1,587,546	208,030	2,423,998
Less: Current Portion	(61,271)	(209,185)	(8,654)	(279,110)
Noncurrent Portion	<u>\$ 567,151</u>	<u>\$1,378,361</u>	<u>\$ 199,376</u>	<u>\$2,144,888</u>

Note 6 Property Held for Resale

The Agency is holding land and development costs totaling \$2,097,017 of properties throughout Broome County for economic development and resale in accordance with program purposes.

Note 7 Notes Receivable

Notes receivable are summarized as follows at December 31, 2020:

	Interest Rate	Payment	Maturity	Principal
ADEC Solutions USA, Inc.	3%	\$4,903 Monthly	8/2030	\$ 504,143
Canopy Growth USA, LLC	0%	\$400,000 to \$93,900 Annually	1/2026	593,900
Balance at December 31				1,098,043
Less: Current Portion				(144,319)
Noncurrent Portion				<u>\$ 953,724</u>

BROOME COUNTY

INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

Note 8 Mortgages Receivable

Mortgages receivable are summarized as follows at December 31, 2020:

	<u>Interest Rate</u>	<u>Payment</u>	<u>Maturity</u>	<u>Principal</u>
265 Industrial Park Drive, LLC	2.5%	\$18,445 Monthly	9/2037	\$3,150,074
Precuim Holdings, LLC	3.0%	\$444 Monthly	6/2037	<u>69,223</u>
Balance at December 31				3,219,297
Less: Current Portion				<u>(135,145)</u>
Noncurrent Portion				<u><u>\$3,084,152</u></u>

Note 9 Due From County

During 2016, the County and Agency entered into a purchase agreement of \$100,000 for 20 acres of land in the Broome Corporate Park. The Agency and the County entered into a repayment agreement to repay the amount to the Agency in annual installments of \$5,000 over the next 20 years; commencing August 2017. Due from County totaled \$80,000 at December 31, 2020.

Note 10 Due From Binghamton Local Development Corporation

During the prior year, the Agency entered into an agreement with the Binghamton Local Development Corporation (Binghamton LDC) for the sale of land and building located at 30 Charles Street. The agreement calls for a \$50,000 deposit at closing and payment of \$30,000 per acre when the Binghamton LDC sells the property to a third party. During 2020, the Agency sold the remaining 6.5 of 21 acres to the Binghamton LDC. At December 31, 2020, the total receivable from Binghamton LDC was \$551,342.

BROOME COUNTY

INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

Note 11 Capital Assets

The detail of capital assets, net at December 31, 2020 is as follows:

	Balance at 12/31/2019	Additions	Disposals/ Reclassifications	Balance at 12/31/2020
Non-Depreciable Capital Assets				
Land	\$2,624,387	\$	\$ (522,814)	\$2,101,573
Total Non-Depreciable Capital Assets	<u>2,624,387</u>	<u>-</u>	<u>(522,814)</u>	<u>2,101,573</u>
Depreciable Capital Assets				
Building and Improvements	5,863,204		(552,270)	5,310,934
Equipment	9,855	7,200		17,055
Total Depreciable Capital Assets	<u>5,873,059</u>	<u>7,200</u>	<u>(552,270)</u>	<u>5,327,989</u>
Total Historical Cost	<u>8,497,446</u>	<u>7,200</u>	<u>(1,075,084)</u>	<u>7,429,562</u>
Less Accumulated Depreciation				
Building and Improvements	(580,114)	(135,822)	251,294	(464,642)
Equipment	(1,801)	(1,548)		(3,349)
Total Accumulated Depreciation	<u>(581,915)</u>	<u>(137,370)</u>	<u>251,294</u>	<u>(467,991)</u>
Capital Assets, Net	<u>\$7,915,531</u>	<u>\$ (130,170)</u>	<u>\$ (823,790)</u>	<u>\$6,961,571</u>

Note 12 Commitments and Contingencies

The Agency is exposed to various risks of loss related to theft of, damage to, and destruction of assets, injuries to employees, and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance for the past three years.

The Agency has received grants and/or program funds which are subject to audit by agencies of the state and federal governments. Such audits may result in disallowances and a request for return of funds. The Agency believes disallowances, if any, will be immaterial.

BROOME COUNTY
INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020

Note 13 Tax Abatements

During the time in which property is leased to a company, the property is exempt from taxes other than special ad valorem levies and special assessments. However, the Agency executes Payment in Lieu of Tax (PILOT) agreements, wherein the company is required to make annual payments to the County, local municipalities, and school districts.

In 2020, \$6,327,539 was received in PILOT payments compared to the \$13,012,879 which would have been received if businesses paid the full amount of property taxes; for total property tax abatements totaling \$7,633,355.

In addition to PILOTs above, \$732,415 of sales tax and \$215,600 of mortgage tax abatements were awarded.

Note 14 Leases

The Agency, as lessor, has entered multiple non-cancelable operating leases for space within its office building through September 2022. The agreements call for monthly payments from leases ranging from \$600 to \$4,167. Total receipts under the leases amounted to \$86,000 in 2020.

Future minimum rentals under non-cancelable operating leases are as follows:

<u>Year</u>	<u>Amount</u>
2021	\$ 65,000
2022	43,750
Total	<u>\$ 108,750</u>

Note 15 Related Party

The Agency performs administrative and supporting services for the Broome County Local Development Corporation (the Corporation). In addition, members of the Agency's Board of Directors make up the Board of Directors for the Corporation.

Note 16 Economic Uncertainty-COVID-19

In March 2020, the COVID-19 coronavirus outbreak was declared a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had, and are expected to continue to have, an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Agency operates. Although there is still uncertainty, the Agency feels that it will be able to maintain operations in a fiscally sound manner.

BROOME COUNTY

INDUSTRIAL DEVELOPMENT AGENCY

SCHEDULE OF PROJECTS DECEMBER 31, 2020

Project Name	Exemption Period	Purpose	Sales Tax Cap	Sales Tax Exemptions
159 Washington Street Holdings	2021-2030		\$ 50,000	\$ 32,237
20 Hawley St. - Hawley Street Members	2012-2022	Construction		
250 Main LLC	N/A		17,280	
265 Industrial Park Drive	2018-2037	Manufacturing		
265 Main Street, LLC	N/A		4,000	
31 Washington Street Associates (Former Owner Washington Development Assoc.)	2013-2032	Construction		
50 Front Street	2019-2046	Commercial	841,000	
ADEC Solutions	2016-2031	Services		
AOM 128 Grand Ave	2021-2040	Construction	278,400	110,676
Beer Tree Brew Works, Inc.	N/A		96,000	88,974
Binghamton ASC, LLC	N/A		34,392	31,952
Boscov's	N/A			
Broome Culinary	2018-2048	Construction	754,000	49,149
Buckingham Manufacturing	2019-2039	Manufacturing	33,000	
Canopy Growth USA, LLC	2020-2034		3,200,000	
Carrier Services Group	2020-2029	Construction	60,000	
Century Sunrise	2018-2048	Construction	640,000	
Chenango Place - One Wall Street	2014-2024	Construction		
Clover Communities	2012-2022	Construction		
CR Land	2018-2028	Construction	160,000	
Davidge Holdings, LLC	N/A	Construction	20,400	8,834
Dick's MSC and Expansion	2017-2047	Construction	9,200,000	
EMT	N/A	Manufacturing	51,928	3,057
Freewheelin ANSCO	2020-2040	Construction	1,200,000	1,352
GJS Property Group, LLC	N/A		60,000	735
Good Shepherd Village	2010-2040	Civic Facility		
Hashey Enterprises	N/A		16,400	15,952
L3 Technologies	N/A		432,000	
Maines - 101 Broome Corp Parkway	2004-2019	Wholesale		
Maines - Maple Drive	2007-2022	Wholesale		
1435-1439 Marchuska, LLC (408 Commerce)	N/A		64,000	62,636
Millennium Pipeline	2009-2024	Construction		
National Pipe & Plastics	N/A		418,000	123,420
Nealon Transportation - KMCC Ventures	2017-2033	Transportation		
One North Depot	N/A		360,000	
Ophthalmic Associates of S.T.	N/A		45,157	25,709
Pacemaker Steel	2017-2032	Manufacturing		
Printing House - Chenango Empire	2016-2026	Construction		
Sam A. Lupo & Sons, Inc. (SSE3, LLC)	2021-2035	Manufacturing	65,600	65,588
SaveAround	2018-2038	Manufacturing	45,000	
Simulation & Control Technologies, Inc.	2009-2019	Transportation	40,880	11,992
Sheedy Road/Juneberry Road	2015-2025	Construction		
Skye View Heights - American Horizons	2016-2038	Construction	400,000	
Spark Broome, LLC	N/A		200,000	100,152
Stellar 83 Court	2015-2025	Construction		
Upstate Services Group	N/A		122,400	
Vestal Asphalt	N/A		20,000	
Vestal Park - UP1 & UP2	2014-2036	Construction	1,344,720	
Vitaluna	2014-2024	Construction		
Woodburn Court	2017-2036	Retirement Community		
Total			\$ 20,274,557	\$ 732,415

Mortgage Tax Exemptions	Payments in Lieu of Taxes	Property Taxes if Not Exempt	Total Exemptions	Base Year Jobs	Current Employment 12/31/2020
\$	\$	\$	\$		19
	387,348	487,383	100,035	2	7
			-		3
	203,949	191,297	(12,652)		
			-		14
	347,956	768,566	420,610		8
	147,172	494,249	347,077		30
	11,904	43,840	31,936	1	82
	-		110,676		80
			88,974		46
			31,952		1
	135,061	282,448	147,387		87
		36,263	85,412		
	21,054	31,813	10,759		367
			-		20
			-		
	19,139	1,275,474	1,256,335		12
	184,012	433,490	249,478		6
	193,852	327,722	133,870		2
	52,410	113,389	60,979		3
			8,834		19
	188,329	1,829,898	1,641,569		534
			3,057		143
	44,307	215,751	172,796		
			735		1
	20,805		(20,805)		156
			15,952		6
70,600			70,600		103
	170,912	157,967	(12,945)	625	
	107,623	139,145	31,522	51	
			62,636		34
	1,383,807	1,845,075	461,268		
			123,420		303
	4,372	17,486	13,114	16	12
55,000			55,000		20
			25,709		35
	57,147	58,345	1,198	25	89
	37,173	759,193	722,020		6
			65,588		4
	32,006	135,905	103,899		76
			11,992		14
	618,878	929,441	310,563	135	143
	158,486	206,621	48,135		
90,000			190,152		42
	55,828	459,265	403,437		20
			-		
			-		28
	1,423,377	1,397,474	(25,903)		12
	162,726	201,983	39,257	61	3
	157,906	173,396	15,490		5
\$ 215,600	\$ 6,327,539	\$ 13,012,879	\$ 7,633,355	916	2,595

**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***

Board of Directors
Broome County Industrial Development Agency
Binghamton, 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 the Broome County Industrial Development Agency (the Agency), a component unit of the County of Broome, New York, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Agency's financial statements, and have issued our report thereon dated _____, 2021.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the 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 the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

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

Respectfully submitted,

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
_____, 2021

THE AGENCY

BROOME COUNTY IDA / LDC

SMALL BUSINESS INCENTIVE PROGRAM APPLICATION

The Small Business Incentive Program can provide eligible applicants any of the following: an eight percent (8%) NYS sales tax and one percent (1%) mortgage recording tax exemption (if applicable).

Applicants seeking assistance must complete this application and provide additional documentation if required. A **non-refundable** application fee of \$250.00 must be included with this application. Make check payable to The Agency Broome County IDA.

The Applicant requesting a sales tax exemption from the Agency/IDA must include in the application a realistic estimate of the value of the savings anticipated to be received. As per NYS 2013 Budget Law and the regulations expected to be enacted thereunder are expected to require that the Agency/IDA recapture any benefit that exceeds the amount listed in the application.

Please answer all questions. Use "None" or "Not Applicable" where necessary.

APPLICANT

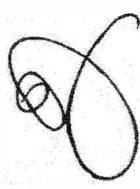
Name Upstate Hi-Tech Properties, LLC
Address 12 Nadine Way
City/State/Zip Johnson City, NY 13790
Tax ID No. 85-2017807
Contact Name Dave Jones
Title Member
Telephone (607) 343-2334
E-Mail dave.jones@customsi.com

Owners of 20% or more of Applicant Company

Name	%	Corporate Title
<u>Dave Jones</u>	<u>100%</u>	<u>Member</u>

Benefits Requested (Check all that apply)

- ☒ Sales Tax Exemption
☒ ~~Mortgage Recording Tax Exemption~~



Description of project (check all that apply)

- ☒ New Construction
☐ Existing Facility
 ☐ Acquisition
 ☐ Expansion
 ☐ Renovation/Modernization
☐ Acquisition of machinery/equipment
☐ Other (specify) _____

GENERAL DESCRIPTION OF THE PROJECT

(Attached additional sheets as necessary)

See attached project description.

PROJECT TIMELINE

Q2 2021

Start Date

Q4 2021

End Date

100 Commercial Drive, Town of Maine

Project Address

Contractor(s) *please refer to required Local Labor Policy

State Environmental Quality Review (SEQR) Act Compliance

The Agency, in granting assistance to the Applicant, is required to comply with the New York State Environmental Quality Review Act (SEQR). This is applicable to projects that require the state or local municipality to issue a discretionary permit, license or other type of Approval for that project.

Does the proposed project require discretionary permit, license or other type of approval by the state or local municipality?

☒ YES – Include a copy of any SEQR or other documents related to this project including Environmental Assessment Form, Final Determination, Local Municipality Negative Declaration.

☐ NO

LOCAL LABOR POLICY

It is the goal of the The Agency to maximize the use of local labor for each project that receives benefits from The Agency. This policy applies to general contractors, subcontractors, trade professionals, and their employees. The Agency's Local Labor Area consists of the following New York State counties: Broome, Chemung, Chenango, Cortland, Delaware, Otsego, Schuyler, Steuben, Tioga and Tompkins.

100 Commercial Drive, Town of Maine

Building Project

Upstate Hi-Tech Properties, LLC (UHTP) is a real estate holding company that is purchasing a vacant parcel of land (~4+ acres) situate at 100 Commercial Drive, Town of Maine, where it will erect a 18,000 sf custom building (with 16,000 expansion capability) that will house the New York operations of Custom Systems Integration, Inc. (CSI), an engineering and manufacturing company that has operated in Broome County for over 18 years. CSI has been actively looking for a new location to rent for over 3 years but has been unable to find a suitable location that would accommodate the high-tech company's needs without substantial business work-arounds and costs. It is important that the building be tailored to the business rather than the business adjusting to fit the building. This new location will have an additional compacted 10-20k sf area for the business's future growth.

The building will be a 190 ft x 200 ft metal structure that will house 100% of CSI's New York operations. The interior of the building will primarily have an open layout consisting of several functional areas, including offices, production, integration and test, receiving, lobby, fabrication, stock for manufacturing and miscellaneous storage. There will be some 6-foot walls that will separate some of these functional areas. Ceiling height will be 21' front to 16' back. The only enclosed areas within the building will be the restrooms, utility closets and conference rooms.

The exterior of the building will be a two-tone grey and blue (see rendering) and landscaping to be aesthetically pleasing to visitors. The building is being designed for future utilization of both renewable energy and green technologies, including solar and reclaiming water. For example, the roof will be sloped front to back to take full advantage of the building's sun exposure throughout the day. Accommodations will also be made during construction to account for reclaimed roof water for internal plumbing sometime down the road. Additional features of the building include a bump-out dock with crating room that will be located towards the back of the building and an exterior cement pad for dumpsters next to the dock.

UHTP is working closely with the Town of Maine to assure compliance with Town Code. As part of compliance, the project will include the construction of a retention pond to control stormwater runoff into the sewer system. The site will also have approximately 20-25 parking spots which includes 2 handicap and 2 visitor slots.

CSI, the company that will operate in this building, is a custom test engineering and manufacturing company that designs and manufactures one-off test systems for Department of Defense (DoD) and Commercial Original Equipment Manufacturers (OEMs). Some of its customers include Lockheed Martin (multiple locations), BAE (multiple locations), IBM, ViaSat, Telephonics, Moog, NASA (multiple locations), Continental and Ansen, as well as many others. CSI operates in a very custom but stable market. Because of the sensitive nature of some of the work and customer-driven quick turnaround times, the majority of work in this business segment cannot be performed overseas. CSI utilizes hi-tech hand equipment and production tools to perform its tasks. Other equipment includes, fab equipment, a UV printer for silk screening and precision inspection products.

CSI currently employs 21 people – 20 in Broome County and one in Chicago, IL. Its employees are a mix of Engineers, Assembly Technicians and operations staff. CSI has and will continue to manage a steady

10% - 15% growth per year. Some years were much more but CSI's objective is to perform -and focus first- on its long-standing relationships, some nearly 20+ years old. CSI generates between \$8,000,000 and \$10,000,000 on average in revenue, depending on the amount of equipment that gets integrated into the systems in any given year. CSI conducts a significant amount of local business, having relationships with many local vendors, keeping money local. CSI also supports several local organizations.

CSI was established in 2001 after another business, Symtx, closed its Broome County operations. Originally, Dave Jones – CSI General Manager/Owner, worked for IBM-Owego where, at the time, Symtx, a manufacturer of custom test equipment, was a major vendor for him. After leaving IBM, Mr. Jones put together a strong business plan and presented it to Symtx to establish a location in Broome County, touting the area's experience, skilled workforce, strong work ethic, and the access to the NE region's strategic location for Electronic Manufacturers. He was successful and Symtx-NY successfully ran operations in NY and TX for 6-7 years until Symtx headquarters made the decision to close NY's doors and condense its operations to Texas with the down turn in the telecom industry. During the 6-7 years, the NY operation became the recognized office for technical operation and lead the sales operation that grew the whole company to over 200 people. Numerous people from the NY Operation were asked to move to Texas due to the experience and technical expertise that possessed. It was then when Mr. Jones moved ahead with a plan to establish CSI, leveraging the same experienced resources that made Symtx-NY successful. The creation of CSI retained many employees formerly employed by Symtx, preventing a migration of people from the area. CSI has continued operate and grow for over 19 years.

Estimated total project cost remains in the \$1,580,000 area.

More on CSI can be found at customsi.com.

APPLICANT PROJECT COSTS

- A. Estimate the costs necessary for the construction, acquisition, rehabilitation, improvement and/or equipping of the project by the APPLICANT.

Building Construction or Renovation

- a. MATERIALS a. \$ 800,000
b. LABOR b. \$ 200,000

Site Work

- c. MATERIALS c. \$ 200,000
d. LABOR d. \$ 140,000
e. Non-Manufacturing Equipment e. \$ 0
f. Furniture and Fixtures f. \$ 60,000
g. LAND and/or BUILDING Purchase g. \$ 100,000
h. Soft Costs (Legal, Architect, Engineering) h. \$ 80,000

- Other (specify) i. _____ i. \$ _____
j. _____ j. \$ _____
k. _____ k. \$ _____

TOTAL PROJECT COSTS \$ 1,580,000

- B. Sources of Funds for Project Costs:

- a. Bank Financing a. \$ 1,200,000
b. Public Sources b. \$ _____

Identify each state and federal grant/credit

_____ \$ _____
_____ \$ _____
_____ \$ _____
_____ \$ _____

- c. Equity c. \$ 380,000

TOTAL SOURCES \$ 1,580,000

- C. Has the applicant made any arrangements for the financing of this project?

☒ Yes ☐ No

If so, please specify bank, underwriter, etc.

Tioga State Bank

VALUE OF INCENTIVES

A. Sales Tax Exemption Benefit

Estimated value of goods that will be exempt from New York State and local sales tax (materials, non-manufacturing equipment, furniture and fixtures - line a,c,e,f from Project Costs) \$ 1,060,000.00

Estimated value of New York State and local sales tax exemption (8% of value of eligible goods) \$ 84,800.00

Estimated duration of sales tax exemption 12 months
(The sales tax letter shall be valid for a period of twelve (12) months.)

~~B. Mortgage Recording Tax Exemption Benefit~~

~~Estimated value of Mortgage Recording Tax Exemption (1% of value of mortgage) \$ 12,000.00~~

~~TOTAL SALES AND MORTGAGE RECORDING TAX EXEMPTION BENEFIT~~

\$ 84,800.00

PROJECTED EMPLOYMENT *CSI employment figures*

Will this investment result in the creation of new jobs? If so, how many? 4.00

Current number of full time employees: 20.00

Estimated annual salary range of jobs to be created:

Annual Salary range from: \$30,000 to 85,000

Estimated annual salary range of current jobs:

Annual Salary range from: \$33,000 to \$180,000

***Upon approval of this application, the business agrees to provide FTE and all construction job information, along with its NYS 45 in all years that a sales and/or mortgage recording tax benefit is claimed.**

APPLICATION & ADMINISTRATIVE FEES

A. Application Fee:

A non-refundable application fee of two hundred fifty dollars shall be charged to each applicant and accompany the completed application.

\$ 250.00

B. Administrative Fee:

A non-refundable fee of **\$500.00** is due and payable prior to the issuance of a Sales Tax Letter or a Mortgage Tax Exemption Form if the benefit is **under \$100,000**. A non-refundable fee of **1% of the total project cost** is due and payable prior to the issuance of a Sales Tax Letter or a Mortgage Tax Exemption Form if the benefit is **over \$100,000**.

\$ 500.00

TOTAL TAX EXEMPTION FEES

\$ 750.00

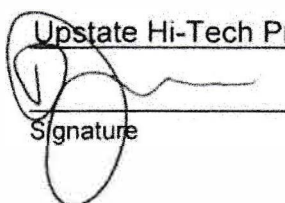
This Application, including without limitation, information regarding the amount of New York State and local sales and use tax exemption benefits, is true, accurate and complete.

The Agency reserves the right to terminate, modify, or recapture Agency benefits if :

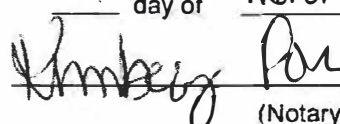
- (i) an applicant or its sub-agency (if any) authorized to make purchases for the benefit of the project is not entitled to the sales and use tax exemption benefits;***
- (ii) sales and use tax exemption benefits are in excess of the amounts authorized by the Agency to be taken by the applicant or its sub-agents;***
- (iii) sales and use tax exemption benefits are for property or services not authorized by the Agency as part of the project;***
- (iv) the applicant has made material, false, or misleading statements in its application for financial assistance;***
- (v) the applicant has committed a material violation of the terms and conditions of a Project Agreement.***

(vi) As of the date of the Application this project is in substantial compliance with all provisions of GML Article 18-A, including but not limited to, the provisions of GML Section 859-a and GML Section 862(1) (the anti-raid provision) and if the project involves the removal or abandonment of a facility or plant within the state, notification by the IDA to the chief executive officer or officers of the municipality or municipalities in which the facility or plant was located.

APPLICANT COMPANY

Upstate Hi-Tech Properties, LLC
 Gael 3-4-21
Signature Title Date

Sworn to before me this

4th day of March, 20 21

(Notary Public)

KIMBERLY A. POTTER
Notary Public - State of New York
No. 01PD6131780
Qualified in Broome County
My Commission Expires August 15, 21

LABOR POLICY

Local General Contractor, Subcontractor, Trades and Labor Policy

It is the goal of the The Agency/**IDA** to maximize the use of local labor for each project that receives benefits from the Agency/**IDA**. This policy applies to general contractors, subcontractors, trade professionals, and their employees. The Agency/**IDA**'s Local Labor Area consists of the following New York State counties: Broome, Chemung, Chenango, Cortland, Delaware, Otsego, Schuyler, Steuben, Tioga and Tompkins.

Every applicant is obligated to provide written proof and data (see attached ... forms) to the Agency/**IDA** as to the physical location of all the contractors who will work on the project.

The Agency/**IDA** will review the data provided and determine, on a case-by-case basis and in a fully transparent manner, whether the Applicant has substantially conformed to the policy.

An Applicant **will not be deficient** if the proposed project requires specifically skilled labor that is unavailable in the Local Labor Area.

An Applicant **will not be deficient** if the proposed project utilizes parts and supplies assembled elsewhere because no such assembly is available in the Local Labor Area.

An Applicant **will be held non-compliant** with the Labor Policy if it imports labor from outside the Local Labor Area when equal labor that is ready, willing, cost competitive, etc. resides in the Local Labor Area.

The Agency/**IDA** may determine on a case-by-case basis to waive any portion of this policy for a project or a portion of a project where consideration of warranty issues, necessity of specialized skills, significant cost differentials between local and non-local services, documented lack of workers meeting the Local Labor Requirement or if other compelling circumstances exist.

In consideration of the extension of financial assistance by the Agency/**IDA** UPSTATE HI-TECH PROPERTIES, LLC (the Applicant) understands the Local Labor Policy and agrees to submit either or both a Local Labor Utilization Report or a Non Local Labor Utilization Report at the time that construction begins on the project to the Agency and as part of a request to extend the valid date of the Agency/**IDA**'s tax-exempt certificate for the 100 COMMERCIAL DRIVE (TOWN OF MAINE) (the project).

The Applicant understands an Agency/**IDA** tax-exempt certificate is valid for 90 days effective the date of the project inducement and extended for 90 day periods thereafter upon request by the Applicant.

The Applicant further understands any request for a waiver to this policy must be submitted in writing and approved by the Agency/**IDA** before a tax-exempt certificate is issued or extended.

The Applicant further understands that if the required forms are not submitted to the Agency/**IDA**, the Agency/**IDA** shall have the authority to immediately terminate any and all Financial Assistance being provided to the Project.

I agree to the conditions of this agreement and certify all information provided regarding the construction and employment activities for the Project as of February 3, 2021 (date).

APPLICANT: Upstate Hi-Tech Properties, LLC

REPRESENTATIVE FOR CONTRACT BIOS/AWARDS: Dave Jones

ADDRESS: 12 Nadine Way

CITY: Johnson City

STATE: NY

ZIP: 13790

PHONE: 607-343-2334

EMAIL: dave.jones@customsi.com

PROJECT ADDRESS: 100 Commercial Drive, Town of Maine

AUTHORIZED REPRESENTATIVE: Dave Jones

TITLE: Member

SIGNATURE:

Sworn to before me this

4th day of March, 2021


(Notary Public)

KIMBERLY A. POTTER
Notary Public - State of New York
No. 01PO6131700
Qualified in Broome County
My Commission Expires August 15, 21

The following organizations must be solicited in writing for the purpose of meeting the requirements of this Agreement:

****Documentation of solicitation MUST be provided to the Agency.**

The Builders Exchange of the Southern Tier, Inc.
15 Belden Street
Binghamton, NY 13903
brad@bxstier.com
(607) 771-7000

Southern Tier Building Trades Council
1200 Clemens Center Parkway
Elmira, NY 14901
ibew139ba@aol.com
(607) 732-1237

Binghamton/Oneonta Building Trades Council
11 Griswold Street
Binghamton, NY 13904
raikens@iuoe158.org
(607) 723-9593

Dodge Reports
<http://construction.com/dodge/submit-project.asp>
830 Third Ave., 6th Floor
New York, NY 10022
support@construction.com

(877) 784-9556
Tompkins-Cortland Building Trades Council
622 West State Street
Ithaca, NY 14850
tbrueribew241@gmail.com
(607) 272-3122

Building Trades
Katie Fairbrother, Secretary
kfairbrother@ualocal112.org
607-723-9593

LOCAL LABOR UTILIZATION REPORT

To be completed for all contractors residing within the Broome County IDA Local Labor Area

APPLICANT:

PROJECT ADDRESS:

CITY:

STATE:

ZIP:

EMAIL:

PHONE:

GENERAL CONTRACTOR/CONSTRUCTION MANAGER:

CONTACT:

ADDRESS:

CITY:

STATE:

ZIP:

EMAIL:

PHONE:

ITEM	CONTRACT/SUB	ADDRESS	EMAIL	PHONE	AMOUNT
Site/Demo					
Foundation/Footings					
Building					
Masonry					
Metals					
Wood/Casework					
Thermal/Moisture					
Doors, Windows & Glazing					
Finishes					
Electrical					
HVAC					
Plumbing					
Specialties					
M& E					
FF & E					
Utilities					
Paving/Landscaping					

CHECK IF CONSTRUCTION IS COMPLETE

☐

CHECK IF THIS IS YOUR FINAL REPORT

☐

I CERTIFY THAT THIS IS AN ACCURATE ACCOUNTING OF THE CONTRACTORS THAT ARE WORKING AT THE PROJECT SITE.

Company Representative

Date

NON LOCAL LABOR UTILIZATION REPORT

To be completed for all contractors not residing within the Broome County IDA
Local Labor Area

APPLICANT: PROJECT ADDRESS: CITY: STATE: ZIP: EMAIL: PHONE: GENERAL CONTRACTOR/CONSTRUCTION MANAGER: CONTACT: ADDRESS: CITY: STATE: ZIP: EMAIL: PHONE:

ITEM	CONTRACT/SUB	ADDRESS	EMAIL	PHONE	AMOUNT
Site/Demo					
Foundation/Footings					
Building					
Masonry					
Metals					
Wood/Casework					
Thermal/Moisture					
Doors, Windows & Glazing					
Finishes					
Electrical					
HVAC					
Plumbing					
Specialties					
M& E					
FF & E					
Utilities					
Paving/Landscaping					

CHECK IF CONSTRUCTION IS COMPLETE

☐

CHECK IF THIS IS YOUR FINAL REPORT

☐

I CERTIFY THAT THIS IS AN ACCURATE ACCOUNTING OF THE CONTRACTORS
THAT ARE WORKING AT THE PROJECT SITE.

Company Representative_____
Date

Short Environmental Assessment Form

Part 1 - Project Information

Instructions for Completing

Part 1 – Project Information. The applicant or project sponsor is responsible for the completion of Part 1. Responses become part of the application for approval or funding, are subject to public review, and may be subject to further verification. Complete Part 1 based on information currently available. If additional research or investigation would be needed to fully respond to any item, please answer as thoroughly as possible based on current information.

Complete all items in Part 1. You may also provide any additional information which you believe will be needed by or useful to the lead agency; attach additional pages as necessary to supplement any item.

Part 1 – Project and Sponsor Information			
Name of Action or Project: 100 Commercial Drive - Custom Systems Integration New Building Construction			
Project Location (describe, and attach a location map): 100 Commercial Drive , Town of Maine, NY 13802 Tax Map # 075.04-2-33			
Brief Description of Proposed Action: This project will create the new CSI headquarters location at 100 Commercial Drive in the Town of Maine. This will involve all site work and new building construction to create the 18,000 square feet building, parking area, loading dock and paved access drives necessary to operate the business. The site work will include all grading/ drainage, storm water, utility paving and landscaping work necessary for the new CSI headquarters building.			
Name of Applicant or Sponsor: Custom Systems Integration, Inc. David Jones, General Manager		Telephone: 607-757-0200 x500 E-Mail: dave.jones@customsi.com	
Address: 1020 Perimeter Road West, Building 1			
City/PO: Binghamton		State: NY	Zip Code: 13760
1. Does the proposed action only involve the legislative adoption of a plan, local law, ordinance, administrative rule, or regulation? If Yes, attach a narrative description of the intent of the proposed action and the environmental resources that may be affected in the municipality and proceed to Part 2. If no, continue to question 2.			NO <input checked="" type="checkbox"/>
2. Does the proposed action require a permit, approval or funding from any other government Agency? If Yes, list agency(s) name and permit or approval: NYDEC SWPPP			YES <input checked="" type="checkbox"/>
3. a. Total acreage of the site of the proposed action? 4.29 acres b. Total acreage to be physically disturbed? 2.50 acres c. Total acreage (project site and any contiguous properties) owned or controlled by the applicant or project sponsor? 4.29 acres			
4. Check all land uses that occur on, are adjoining or near the proposed action: <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Rural (non-agriculture) <input checked="" type="checkbox"/> Industrial <input checked="" type="checkbox"/> Commercial <input type="checkbox"/> Residential (suburban) <input checked="" type="checkbox"/> Forest <input type="checkbox"/> Agriculture <input type="checkbox"/> Aquatic <input type="checkbox"/> Other(Specify): <input type="checkbox"/> Parkland			

5. Is the proposed action, a. A permitted use under the zoning regulations? b. Consistent with the adopted comprehensive plan?	NO <input type="checkbox"/> <input type="checkbox"/>	YES <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	N/A <input type="checkbox"/> <input type="checkbox"/>
6. Is the proposed action consistent with the predominant character of the existing built or natural landscape?	NO <input type="checkbox"/>	YES <input checked="" type="checkbox"/>	
7. Is the site of the proposed action located in, or does it adjoin, a state listed Critical Environmental Area? If Yes, identify: _____	NO <input checked="" type="checkbox"/>	YES <input type="checkbox"/>	
8. a. Will the proposed action result in a substantial increase in traffic above present levels? b. Are public transportation services available at or near the site of the proposed action? c. Are any pedestrian accommodations or bicycle routes available on or near the site of the proposed action?	NO <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	YES <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	
9. Does the proposed action meet or exceed the state energy code requirements? If the proposed action will exceed requirements, describe design features and technologies: _____ _____	NO <input type="checkbox"/>	YES <input checked="" type="checkbox"/>	
10. Will the proposed action connect to an existing public/private water supply? If No, describe method for providing potable water: _____ Private Well be installed	NO <input checked="" type="checkbox"/>	YES <input type="checkbox"/>	
11. Will the proposed action connect to existing wastewater utilities? If No, describe method for providing wastewater treatment: _____ Private Septic System will be installed	NO <input checked="" type="checkbox"/>	YES <input type="checkbox"/>	
12. a. Does the project site contain, or is it substantially contiguous to, a building, archaeological site, or district which is listed on the National or State Register of Historic Places, or that has been determined by the Commissioner of the NYS Office of Parks, Recreation and Historic Preservation to be eligible for listing on the State Register of Historic Places? b. Is the project site, or any portion of it, located in or adjacent to an area designated as sensitive for archaeological sites on the NY State Historic Preservation Office (SHPO) archaeological site inventory?	NO <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	YES <input type="checkbox"/> <input type="checkbox"/>	
13. a. Does any portion of the site of the proposed action, or lands adjoining the proposed action, contain wetlands or other waterbodies regulated by a federal, state or local agency? b. Would the proposed action physically alter, or encroach into, any existing wetland or waterbody? If Yes, identify the wetland or waterbody and extent of alterations in square feet or acres: _____ _____ _____	NO <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	YES <input type="checkbox"/> <input type="checkbox"/>	

14. Identify the typical habitat types that occur on, or are likely to be found on the project site. Check all that apply: <input type="checkbox"/> Shoreline <input type="checkbox"/> Forest <input type="checkbox"/> Agricultural/grasslands <input type="checkbox"/> Early mid-successional <input type="checkbox"/> Wetland <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban		
15. Does the site of the proposed action contain any species of animal, or associated habitats, listed by the State or Federal government as threatened or endangered?	NO	YES
	<input type="checkbox"/>	<input checked="" type="checkbox"/>
16. Is the project site located in the 100-year flood plan?	NO	YES
	<input checked="" type="checkbox"/>	<input type="checkbox"/>
17. Will the proposed action create storm water discharge, either from point or non-point sources? If Yes,	NO	YES
	<input type="checkbox"/>	<input checked="" type="checkbox"/>
a. Will storm water discharges flow to adjacent properties?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
b. Will storm water discharges be directed to established conveyance systems (runoff and storm drains)?	<input type="checkbox"/>	<input checked="" type="checkbox"/>
If Yes, briefly describe: _____ Storm Water will be collected and treated on site with Storm water detention basin. _____		
18. Does the proposed action include construction or other activities that would result in the impoundment of water or other liquids (e.g., retention pond, waste lagoon, dam)? If Yes, explain the purpose and size of the impoundment: _____	NO	YES
	<input checked="" type="checkbox"/>	<input type="checkbox"/>
19. Has the site of the proposed action or an adjoining property been the location of an active or closed solid waste management facility? If Yes, describe: _____	NO	YES
	<input checked="" type="checkbox"/>	<input type="checkbox"/>
20. Has the site of the proposed action or an adjoining property been the subject of remediation (ongoing or completed) for hazardous waste? If Yes, describe: _____	NO	YES
	<input checked="" type="checkbox"/>	<input type="checkbox"/>
I CERTIFY THAT THE INFORMATION PROVIDED ABOVE IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE Applicant/sponsor/name: <u>Custom Systems Integration, Inc. David Jones</u> Date: <u>2/15/21</u> Signature: <u>David Jones</u> Title: <u>General Manager</u>		



SIMULATION AND CONTROL TECHNOLOGIES, INC.

42 Corbettsville Road
Conklin, NY 13748
(607) 722-3450 FAX (607) 722-3486

Stacey Duncan
Executive Director
THE AGENCY
Broome County IDA/LDC
FIVE South College Drive, Suite 201
Binghamton, NY 13905

March 10, 2021

RE: Sales Tax Exemption Extension

Dear Executive Director Duncan,

Simulation and Control Technologies, Inc (SCT) is kindly requesting an extension to the previously approved sales tax exemption for IDA project number 03012004b which expires on April 15, 2021. We would like to request the exemption period be extended to April 15, 2022.

The extension request is necessary because of the project's completion timeframe which has shifted to the right in larger part due to business uncertainty as a result of COVID-19 and related issues. While we have been able to complete a portion of the project, a majority of work still remains.

Regards,

A handwritten signature in black ink, appearing to read 'Mitch Gorton', is written over a horizontal line.

Mitch Gorton
Operating Officer

Enclosure:
Extension Request Payment



SIMULATION AND CONTROL TECHNOLOGIES, INC.

**BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY
INVESTMENT AND DEPOSIT POLICY**

A. Introduction

1. Scope. This Investment and Deposit Policy of the Broome County Industrial Development Agency (the "Agency") shall apply to all operating funds, bond proceeds and other funds and all investment transactions involving operating funds, bond proceeds and other funds accounted for in the financial statements of the Agency. Each investment made pursuant to this Investment Policy must be authorized by applicable law and this written Investment Policy. This Investment Policy is intended to comply with the General Municipal Law, the Public Authorities Law, and any other applicable laws of New York State.

2. Objectives. The primary objectives of the investment activities are, in priority order:

- a. to conform with all applicable federal, state and other legal requirements (legal);
- b. to adequately safeguard principal (safety);
- c. to provide sufficient liquidity to meet all operating requirements (liquidity); and
- d. to obtain a reasonable rate of return to match expected liability and expenses.(yield).

3. Prudence. All participants in the investment process and all participants responsible for depositing the Agency's funds shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair confidence in the Agency to govern effectively.

Investments and deposits shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the safety of the principal as well as the probable income to be derived.

All participants involved in the investment process and all participants responsible for depositing the Agency's funds shall refrain from personal business activity that could conflict with proper execution of the investment program or the deposit of the Agency's funds or which could impair their ability to make impartial investment decisions.

All board Directors, officers and employees of the Agency involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions. Nothing contained within this Policy however, shall prohibit the Directors or employees of the Agency from obtaining interests in mutual funds which may include within its investment portfolio, bonds, debentures, notes or other evidence of indebtedness of the Agency; provided however, that the Agency's

bonds, debentures, notes or other evidence of indebtedness may not make up more than ten percent (10%) of the mutual fund's total portfolio and the Directors and employees may not exercise any discretion with respect to the investments made by the mutual fund company.

4. Diversification. It is the policy of the Agency to diversify its deposits and investments by financial institution, by investment instrument and by maturity scheduling.

5. Internal Controls

The Internal Controls shall provide for receipt and review of the audited financial statements and related reports on internal control structure of all outside persons performing any of the following for the Agency:

- investing public funds of the Agency;
- advising on the investment of public funds of the Agency;
- directing the deposit or investment of public funds of the Agency; or
- acting in a fiduciary capacity for the Agency.

6. All money's collected by an officer or employee of the Agency shall be immediately deposited in such depositories and designated by the Agency for the receipt of such funds.

7. The Agency shall maintain or cause to be maintained a proper record of all book, notes, securities or other evidences of indebtedness held by the Agency for investment and deposit purposes.

8. The Agency is responsible for establishing and maintaining an internal control structure and investment practices to document those officers and employees responsible for elements of the investment process and to provide reasonable, but not absolute, assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly, and are managed in compliance with applicable laws and regulations.

6. Designation of Depositories – In accordance with the IDA Act, the Agency shall designate as depositories of its money those banks and trust companies authorized to serve as such pursuant to said law.

B. Investment Policy

1. Permitted Investments

Pursuant to GML Section 11, the Agency is authorized to invest moneys not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments:

- a. Special time deposit accounts;*
- b. Certificates of deposit;*
- c. Obligations of the United States of America;**
- d. Obligations guaranteed by agencies of the United States of America where payment of principal and interest are guaranteed by the United States of America;**
- e. Obligations of the State of New York;*

* Special time deposit accounts and certificates of deposit are permitted investments provided that (1) they shall be payable within such time as the proceeds shall be needed to meet expenditures for which the moneys were obtained,(2) they are collateralized in the same manner as set forth in Section VII {C) below for deposits of public funds, (3) Certificates of deposit and term deposits of United States domestic financial institutions which are members of the Federal Deposit Insurance Corporation, and (4) such entities have the highest credit rating assigned by a nationally recognized rating service and which may be readily sold in a secondary market at prices reflecting fair value.

** All investment obligations shall be payable or redeemable at the option of the Agency within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable at the option of the Agency within two years of date of purchase. Investments must carry a rating of BBB- or above at the time of purchase (investment grade), or, if unrated, be deemed to be of investment grade quality. The total of unrated investments may not exceed five {5%} of the investment portfolio value and the unrated investments of a single issuer may not exceed 2% of the portfolio value.

2. Authorized Financial Institutions and Dealers

The Agency shall maintain a list of financial institutions and dealers, approved for investment purposes and establish appropriate limits to the amount of investments which can be made with each financial institution or dealer. All financial institutions with which the local government conducts business must be credit worthy. Banks shall provide their most recent Consolidated Report of Condition at the request of the Agency. Security dealers not affiliated with a bank shall be required to be classified as reporting dealers affiliated with the New York Federal Reserve Bank, as primary dealers. The Executive Director or Chairman is responsible for evaluating the financial position and maintaining a listing of proposed depositories, trading partners and custodians. Such listing shall be evaluated at least annually.

3. Purchase of Investments

The Agency may contract for the purchase of investments:

- a. Directly, including through a repurchase agreement, from an authorized trading partner.

- b. By participation in a cooperative investment program with another authorized governmental entity pursuant to Article SG of the GML where such program meets all the requirements set forth in the Office of the State Comptroller Opinion No. 88- 46, and the specific program has been authorized by the governing board.
- c. By utilizing an ongoing investment program with an authorized trading partner pursuant to a contract authorized by the governing board.

All purchased obligations, unless registered or inscribed in the name of the local government, shall be purchased through, delivered to and held in the custody of a bank or trust company. Such obligations shall be purchased, sold or presented for redemption or payment by such bank or trust company only in accordance with prior written authorization from the officer authorized to make the investment. All such transactions shall be confirmed in writing to the Agency by the bank or trust company shall be held pursuant to a written custodial agreement as described in GML Section 10.

The custodial agreement shall provide the securities held by the bank or trust company, as agent of and custodian for, the local government, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or other liabilities. The agreement shall describe how the custodian shall confirm the receipt and released of the securities. Such agreement shall include all provisions necessary to provide the Agency a perfected interest in the securities.

4. Repurchase Agreements

Repurchase agreements are authorized subject to the following restrictions:

- a. All repurchase agreements must be entered into subject to a Master Repurchase Agreement.
- b. Trading partners are limited to banks or trust companies authorized to do business in New York State and primary reporting dealers.
- c. Obligations shall be limited to obligations of the United States of America and obligations guaranteed by agencies of the Unites States of America.
- d. No substitution of securities will be allowed.
- e. The custodian shall be a party other than the trading partner.

5. Performance Standards - Performance will be evaluated quarterly and compared to the performance of the appropriate benchmark index and peer groups

C. Deposit Policy

1. Collateralization of Deposits

In accordance with the provisions of GML, 10, all deposits of the Agency, including certificates of deposit and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured:

- a. By pledge of "eligible securities" with an aggregate "market value" as provided by GML Section 10, equal to the aggregate amount of deposits from the categories designated in Exhibit A attached hereto.
- b. By an eligible "irrevocable letter of credit" issued by a qualified bank other than the bank with the deposits in favor of the government for a term not to exceed 90 days with an aggregate value equal to 140% of the aggregate amount of deposits and the agreed upon interest, if any. A qualified bank is one whose commercial paper and other unsecured short-term debt obligations are rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization or by a bank that is in compliance with applicable federal minimum risk-based capital requirements.
- c. By an eligible surety bond payable to the government for an amount at least equal to 100% of the aggregate amount of deposits and the agreed upon interest, if any, executed by an insurance company authorized to do business in New York State, whose claims-paying ability is rated in the highest rating category by at least two nationally recognized statistical rating organizations. The terms and conditions of any eligible surety shall be approved by the governing board.

2. Safekeeping and Collateralization

Eligible securities used for collateralizing deposits shall be held by the depository bank or trust company subject to security and custodial agreements.

The security agreement shall provide that eligible securities are being pledged to secure local government deposits together with agreed upon interest, if any and any costs or expenses arising out of the collection of such deposits upon default. It shall also provide the conditions under which the securities may be sold, presented for payment, substituted or released and the events, which will enable the local government to exercise its rights against the pledged securities. In the event that the securities are not registered or inscribed in the name of the local government, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the Agency or its custodial bank.

The custodial agreement shall provide that securities held by the bank or trust company, or agent of and custodian for, the local government, will be kept separate and apart

from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of backing for any other deposit or other liabilities. The agreement should also describe that the custodian shall confirm the receipt, substitution or release of the securities. The agreement shall provide for the frequency of revaluation of eligible securities and for the substitution of securities when a change in the rating of a security may cause ineligibility. Such agreement shall include all provisions necessary to provide the Agency a perfected interest in the securities.

D. Reporting

Each quarter the Treasurer shall provide to the Directors a report which sets forth amounts invested, the diversification and performance of each portfolio in relation to appropriate market indices, comparative performance information that enables the reader to evaluate whether the portfolios are achieving returns that are consistent with objectives and market conditions.

Each year-end the Treasurer shall provide to the Directors a report that identifies the components of the total investment portfolio.

**BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY
INTERNAL CONTROLS AND FINANCIAL ACCOUNTABILITY**

1. Board Members and Officers shall ensure that the Agency is accountable for its programs and finances to its customers and the public. Accordingly, the Agency shall comply with all applicable laws and ethical standards; adhere to its public mission; create and adhere to policies regarding conflicts of interest, ethics, personnel and accounting; prepare and file annual financial data with required federal and state regulatory authorities; and make its annual financial report available to all Members and any member of the public who requests it.
2. Internal controls are systems of policies and procedures that protect and manage the assets of the Agency, create reliable financial reporting, promote compliance with laws and regulations and achieve effective and efficient operations.
3. The following internal controls, policies and procedures shall apply to the Agency:
 - A. **Budget.** An annual income and expense budget will be prepared and monthly reports will be presented to the Board. The report will compare actual receipts and expenditures to the budget with timely variance explanations.
 - B. **Expenditures.** All disbursements for \$2,500 or more shall require two signatures from Chairman, Vice Chairman, Secretary, Treasurer or Executive Director. Disbursements under \$2,500 shall require the signature of one of the following: Senior Deputy Director of Operations or the Executive Director. A monthly report of all expenditures under \$2,500 will be electronically submitted to the Board for review.
 - C. **Expenditures-Approval.** No expenditures shall be made or incurred except in accordance with the purchasing policy and the duly adopted budget. All expenditures shall be prepared by the Office Business Manager and reviewed and approved by the Senior Deputy Director of Operations.
 - D. **Receipts-Checks.** All receipts by check shall be duly entered in the books of the Agency with a copy made of each check received and attached to the invoice or bank deposit. All bank deposits shall be prepared by the Office Business Manager and reviewed by the Senior Deputy Director of Operations.
 - E. **Accounts Receivable.** All accounts receivables shall be maintained on a current basis to the extent practicable. Account receivables which are more than 90 days old shall be reported to the Board on a monthly basis. The Board may direct such action as may be appropriate as to said receivables.
 - F. **Data.** Electronic data regarding financial records and reports shall be preserved. All bank reconciliations shall be prepared by the Office Business Manager and reviewed by the Senior Deputy Director of Operations.

G. Audit/Finance Committee. The audit/finance committee shall have oversight over the annual audit process.

H. Reports. Monthly reports on the finances shall be submitted to the Board. Annual financial reports shall be filed as required by law and made available to the public.

I. Management. The day to day activities of the Agency shall be managed by a person or entity designated by the Board of Directors and subject to its oversight.

J. Assessment. An annual assessment of the effectiveness of their internal control structures and procedures will be conducted by management, or an independent auditor, in compliance with Section 2800 (l)(a)(9) and Section 2800 (2)(a)(8) of Public Authorities Law.

Amended and adopted the 14th day of November 2014.

**BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY
PURCHASING POLICY**

1. The purchase of equipment, supplies, material, and non professional services shall be authorized as follows:

- a. Where the estimated total cost does not exceed \$5,000, purchases shall be made upon verbal quotations at the discretion of Executive Director. In the event the purchase is made from a vendor not providing the lowest quote, a written explanation will be placed in the file.
- b. Where the estimated total cost is over \$5,000 and does not exceed \$10,000, the purchase shall be made upon at least three (3) written quotations if available and shall be authorized by Executive Director.
- c. In order to comply with procurement contracts pursuant to Article 15-A of the Executive Law it is the preference of the Agency to provide opportunities for the purchase of goods and services from (i) business enterprises located in Broome County; and (ii) certified minority and/or women-owned business enterprises. To that end, the Agency will utilize available lists of M/WBE firms certified by Broome County and/or the State of New York and will, whenever practical, solicit bids and proposals from such businesses by notifying them of opportunities to submit proposals and bids for good and services. MBE and WBE businesses will be provided with sufficient time to submit proposals in response to solicitations. The Agency goal for MWBE participation is 10%. The Agency will document the level of MWBE participation in solicited opportunities.
- d. Where the estimated total cost is over \$10,000, the purchase shall be made based upon a competitive bidding process. The Board of Directors shall authorize award of contracts for such purchases if the purchase was not anticipated in the Agency's adopted Annual Budget.
- e. Purchases may be made from a Federal, State, County, or other Municipal, State Authority, or Local Development Corporation contracts. Such purchases are not subject to the requirements specified in items 1.a.-1.c., above.
- f. All purchases of \$5,000 or more shall be reported to the Board of Directors on a semi annual basis. In the event that the purchase is made from a vendor not providing the lowest cost, an explanation shall be included in this report.

2. Pursuant to General Municipal Law Section 104-b(2)(f), the procurement policy may contain circumstances when, or types of procurement for which, in the sole discretion of the Directors of the Agency, the solicitation of alternative professionals or quotations will not be in the best interest of the Agency. In the following circumstances, it may not be in the best interests of the Agency to solicit quotations or document the basis for not accepting the lowest bid:

- a. Professional Services. Professional Services is defined as services requiring special or technical skill, training or expertise. The individual, company or firm must be chosen based on accountability, reliability, responsibility, skill, conflict of interests, reputation, education and training, judgment, integrity, continuity of service and moral worth. Furthermore, certain professional services to be provided by the Agency; legal and accounting services, impact liability in circumstances where the Agency is issuing bonds. These qualifications and the concerns of the Agency regarding its liability and the liability of its Directors are not necessarily found or addressed in the individual, company or firm that offers the lowest price and the nature of these services are such that they do not readily lend themselves to competitive procurement.
- b. In determining whether a service fits into this category, the Agency shall take into consideration the following guidelines: (1) whether the services are subject to State licensing or test requirements; (2) whether substantial formal education and training is a necessary prerequisite to the performance of the services; and (3) whether the services require a personal relationship between the individual and Agency directors. Professional or technical services shall include, but not limited to the following: services of an attorney (including bond counsel) ; services of a physician; technical services of an engineer/planner engaged to prepare studies, plans, maps and estimates; securing insurance coverage and/or services of an insurance broker; services of a certified public accountant; investment management services; printing services involving extensive writing, editing or art work; management of Agency owned property; and computer software or programming services for customized programs, or services involved in substantial modification and customizing or pre-packaged software.

3. Purchases may be made from a Federal, State, County, or other Municipal, State Authority, or Local Development Corporation contracts. Such purchases are not subject to the requirements specified in items 2.a.-2.c., above.

4. All purchases of \$5,000 or more shall be reported to the Board of Directors on a semi-annual basis.

5. Emergency Purchase Orders. Where an emergency condition exists posing imminent danger to public health, personal safety or public or private property the Executive Director is authorized to make such purchases of goods or services which may be necessary to meet the emergency condition without following the purchasing policy. In each case, where practicable, the Executive Director will endeavor to obtain, at a minimum, verbal quotations for the work or services necessary. Any and all emergency purchases in excess of \$5,000 shall be reported to the Board of Directors as soon as practicable and for any such purchases in excess of \$10,000 the Board shall be notified electronically and/or telephonically prior to purchase if possible.

6. Sole Source Purchases. Where the goods or the services may be purchased from just one source (defined as sole source items) the procurement of said items need not follow this purchasing policy. In order to purchase goods or services without competitive bidding or a competitive quotation the Executive Director must certify that the goods or services are only available through one source.

**BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY
PROPERTY ACQUISITION GUIDELINES**

Section 2824[1](e) of the Public Authorities Law requires local authorities to adopt written policy governing the acquisition of real property. The following policy ["Policy"] is hereby adopted upon approval by the Board of Directors pursuant to such requirement and shall be applicable with respect to the acquisition of real property and any interest therein ["Real Property"] by the Broome County Industrial Development Agency.

A. Acquisition of Real Property

Real Property may be acquired by the agency for use, development, resale, leasing or other uses designated by the agency. The Agency may lease Real Property for use, subleasing or other uses designated by the Agency.

The purpose of each acquisition of Real Property by the Agency shall be to further one or more purposes of the Agency as authorized under the Agency's enabling legislation, certificate of incorporation, by-laws or a resolution adopted by the Board of Directors or for a purpose otherwise permitted under applicable state law.

Prior to each acquisition of Real Property, the Agency will conduct such due diligence as it deems appropriate in accordance with the particular circumstances of the proposed acquisition. Such due diligence may include, but is not limited to, Real Property appraisals and review and investigation of environmental, structural, title, pricing and other applicable matters.

B. Approval of Real Property Acquisitions

All acquisitions of Real Property shall be conducted in accordance with this Policy and applicable law. Proposed acquisitions of Real Property shall be presented to the Board of Directors of the Agency for approval or other appropriate action.

C. Exemption for Certain BCIDA Transactions

This Policy shall not be applicable to any agreements or arrangements involving the provision by BCIDA of "financial assistance" as such term is defined in Section 854[14] of the New York General Municipal Law.

D. Amendment of Policy

This Policy may be amended or modified at any time by the Board of Directors of the Agency.

**BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY
PROPERTY DISPOSITION GUIDELINES**

The Broome County Industrial Development Agency ("Agency") is required by Section 2896 of the Public Authorities Law to adopt by resolution comprehensive guidelines regarding the use, awarding, monitoring and reporting of contracts for the disposal of Property (as defined herein). The following guidelines ("Guidelines") are adopted upon approval by the Agency's Board and are applicable with respect to the use, awarding, monitoring and reporting of all Property Disposition Contracts which are entered into by the Agency.

**ARTICLE I
DEFINITIONS**

1. "Contracting Officer" shall mean the Executive Director of the Agency to be responsible for the disposition of Property of the Agency.
2. "Dispose" or "disposal" or "disposition" shall mean the transfer of title or any other beneficial interest in Property from the Agency to any other party.
3. "Property" shall mean personal property in excess of Five Thousand Dollars (\$5,000.00) in value, real property, or any other legally transferable interest in such property, to the extent that such interest may be conveyed to another person for any purpose, excluding an interest securing a loan or other financial obligation of another party.
4. "Property Disposition Contracts" shall mean written agreements for the sale, lease, transfer or other disposition of Property from the Agency to any other party.
5. "Real Property" shall mean real property and interests therein.

**ARTICLE II
APPOINTMENT AND DUTIES OF CONTRACTING OFFICER**

A. Appointment

The Contracting Officer shall be the Executive Director of the Agency, appointed by the Directors, who is responsible for the supervision and direction over the custody, control and disposition of Property and responsible for Agency compliance with and enforcement of these Guidelines.

B. Duties

The duties of the Contracting Officer shall include the following:

1. Maintaining adequate inventory controls and accountability systems for all Property under the control of the Agency.
2. Periodically conducting an inventory of Property to determine which Property may be disposed of.
3. Preparing an annual written report of all Property of the Agency. Each report shall include a list of all Real Property, a full description of all real and personal property disposed of during the reporting period, the price received and the name of the purchaser for all Property sold during each reporting period. Each report shall be completed and delivered to the New York State Comptroller, the Director of the Budget, the Commissioner of General Services and the New York State Legislature no later than ninety (90) days following the completion of the fiscal year of the Agency. This report is included within and distributed with the Annual Report of the Agency.
4. Disposing of Property as promptly as possible in accordance with these Guidelines, as directed by the Agency.

ARTICLE III PROPERTY DISPOSITION REQUIREMENTS

A. Method of Disposition

Subject to such exceptions and/or requirements set forth in these Guidelines, in the event that the Agency determines to dispose of any of its Property, the Agency shall endeavor to dispose of such Property for at least the fair market value of the Property. The disposition of Property may be made by sale, exchange, or transfer, for cash, credit or other Property, with or without warranty, and upon such terms and conditions as are determined by the Agency to be appropriate and reasonable and consistent with these Guidelines. Provided, however, no disposition of real property shall be made unless an appraisal of the value of such property has been made by an independent appraiser and included in the record of the transaction.

B. Award and Approval of Property Disposition Contracts

1. Compliance with Guidelines; Approval Requirements. All dispositions of Property shall be conducted in accordance with these Guidelines by or under the supervision of the Contracting Officer, subject to approval of the Directors of the Agency.
2. Disposition by Public Bid.

(a) All Property Disposition Contracts may be made only after publicly advertising for bids, unless the criteria set forth in Article III(B)(3) below has been satisfied for such contracts to be made by negotiation or public auction.

(b) Whenever public advertising for bids is required, (i) the advertisement for bids shall be made at such time prior to the disposal or contract, through such methods, and on such terms and conditions, as shall permit full and free competition consistent with the value and nature of the Property; (ii) all bids shall be publicly disclosed at the time and place stated in the advertisement; and (iii) the award shall be made with reasonable promptness by notice to the responsible bidder whose bid, conforming to the invitation for bids, will be most advantageous to the Agency and New York State, price and other factors considered.

(c) Any public bid for the disposition of Property may be rejected, refused, or declined by the Agency on any basis or ground allowable bylaw.

3. Disposition by Negotiated Sale/Public Auction. The following dispositions are exempt and excepted from the public bidding requirements set forth above in Article 111(6)(2) and may be consummated through a negotiated sale or by public auction:

(a) The basis exist for a *Below Fair Market Value* disposition. The Agency may dispose of Property for less than the fair market value of the Property where:

(i) Transferee is a government or public entity and terms of transfer require ownership and use to remain with the government or public entity; or

(ii) Purpose of transfer is within the purpose, mission or statue of the Agency; or

(iii) Written notification to the Governor, Speaker, and Temporary President. Such notification is subject to denial. Denial by Governor is in the form of a certification. Denial by the legislature is in the form of a resolution. Denial must be made within 60 days of receiving notification during January through June. If legislature receives the notification in July through December, then legislature may take 60 days from January 1 of the following year. Provided there is no denial, the Agency may effectuate the transfer.

However, a local authority may obtain local approval from the chief executive and legislature of the political subdivision in lieu of the notification to the Governor, Speaker and Temporary President provided the local authority's enabling legislation provides for such approval and the property was obtained by the authority from the political subdivision.

If a below FMV transfer is proposed, the following information is required to be provided to the Agency board and to the public:

- (1) Description of Asset;
- (2) Appraisal of the FMV of the asset:
- (3) Description of the purpose of the transfer, the kind and amount of the benefit to the public resulting from the transfer such as jobs and wages created or preserved;
- (4) Value received compared to FMV;
- (5) Names of private parties to the transaction and value received;
- (6) Names of private parties that have made an offer, the value of offer, and purpose for which the asset would have been used.

The board of the Agency must make a written determination that there is no reasonable alternative to the proposed below-market transfer that would achieve the same purpose of such transfer.

(b) **Disposition of Certain Personal Property.** The Agency may dispose of personal property where such personal property involved has qualities separate from the utilitarian purpose of such property, such as artistic quality, antiquity, historical significance, rarity or other quality of similar effect, that would tend to increase its value, or if the personal property is to be sold in such quantity that, if it were to be disposed of through public advertisement and bidding, would adversely affect the state or local market for such personal property.

(c) **Disposition of Low FMV Property.** The Agency may dispose of Property where the fair market value of which does not exceed Fifteen Thousand Dollars (\$15,000.00).

(d) **Disposition Following Receipt of Unacceptable Bid Prices.** The Agency may dispose of Property where the bid prices received by the Agency after public advertising are not commercially reasonable (either as to all or some part of the Property) as determined by the Agency in its sole discretion.

(e) **Disposition to a Political Subdivision.** The Agency may dispose of Property to New York State or any political subdivision of New York State.

(f) **Disposition Authorized by Law.** The Agency may dispose of Property where such disposition is otherwise authorized by law.

4. Reporting Requirements Regarding Negotiated Dispositions.

(a) **Preparation of Written Statements.** The Contracting Officer shall prepare a written statement explaining the circumstances of each negotiated disposition of Property involving any of the following:

(i) the negotiated disposition of personal property which has an estimated fair market value in excess of Fifteen Thousand Dollars (\$15,000.00);

(ii) the negotiated disposition of Real Property that has an estimated fair market value in excess of One Hundred Thousand Dollars (\$100,000.00);

(iii) the negotiated disposition of Real Property that will be disposed of by lease if the estimated annual rent over the term of the lease is in excess of \$15,000; or

(iv) the negotiated disposition of Real Property or real and related personal property where the same will be disposed of by exchange, regardless of value, or any Property any part of the consideration for which is Real Property.

(b) Submission of Written Statements. Written statements prepared pursuant to Article III(B) (4) shall be submitted to the New York State Comptroller, the Director of the Budget, the Commissioner of General Services and the State Legislature no later than ninety (90) days prior to the date on which the disposition of Property is expected to take place. The Contracting Officer shall maintain a copy of all written statements at the Agency's principal office.

ARTICLE IV GENERAL PROVISIONS

A. Annual Review and Submission of Guidelines

These Guidelines shall be annually reviewed and approved by the Directors of the Agency. On or before the 31st day of March of each year, the Contracting Officer shall file a copy of the most recently reviewed and adopted Guidelines with the New York State Comptroller, and shall post the Guidelines on the Agency's website. Guidelines posted on the Agency's website shall be maintained at least until the Guidelines for the following year are posted on the website.

B. Effect of Awarded Contracts

These Guidelines are intended for the guidance of the officers, Directors and employees of the Agency. Nothing contained herein is intended or shall be construed to confer upon any person, firm or corporation any right, remedy, claim or benefit under, or by reason of, any requirement or provision hereof, or be deemed to alter, affect the validity of, modify the terms of or impair any contract or agreement made or entered into in violation of, or without compliance with, these Guidelines. Without limiting the generality of the preceding sentence, any deed, bill of sale, lease, or other instrument executed by or on behalf of the Agency, purporting to transfer title or any other interest in Property shall be conclusive evidence of compliance with these Guidelines insofar as concerns title or other interest of any bona fide grantee or transferee who has given valuable consideration for such title or other interest and has not received actual or constructive notice of lack of compliance with these Guidelines prior to the closing.

C. Exemption for Certain Agency Transactions

These Guidelines shall not be applicable to any agreements or arrangements involving the provision by the Agency of "financial assistance" as such term is defined in Section 854(14) of the New York General Municipal Law (i.e. property dispositions serving solely as a conduit for providing financial assistance).