

COUNTY OF CHENANGO  
INDUSTRIAL DEVELOPMENT AGENCY  
FINANCIAL STATEMENTS  
DECEMBER 31, 2011

COUNTY OF CHENANGO INDUSTRIAL DEVELOPMENT AGENCY

FINANCIAL STATEMENTS

DECEMBER 31, 2011

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
County of Chenango Industrial Development Agency  
19 Eaton Avenue  
Norwich, New York 13815

We have audited the accompanying statements of net assets of the **COUNTY OF CHENANGO INDUSTRIAL DEVELOPMENT AGENCY**, a component unit of Chenango County, New York as of and for the years ended December 31, 2011 and 2010, and the related statements of revenues, expenses, changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Agency's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the County of Chenango Industrial Development Agency as of December 31, 2011 and 2010, and the changes in its net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 26, 2012, on our consideration of the County of Chenango Industrial Development Agency's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards* and should be considered in assessing the results of our audit.

# Piaker & Lyons

County of Chenango  
Industrial Development Agency

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 7 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.

Our audit was conducted for the purpose of forming an opinion on the financial statements of the County of Chenango Industrial Development Agency. The additional information in Schedules 1 and 2 is presented for the purposes of additional analysis and is not a required part of the basic financial statements. The additional information in Schedules 1 and 2 is the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Piaker & Lyons, P.C.*  
PIAKER & LYONS, P.C.

Binghamton, New York  
March 26, 2012

**COUNTY OF CHENANGO INDUSTRIAL DEVELOPMENT AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2011**

As financial management of the County of Chenango Industrial Development Agency (the "Agency"), we offer readers of these financial statements this narrative overview and analysis of the financial activities of the Agency for the fiscal year ended December 31, 2011 as compared to 2010 and 2009, where applicable. This discussion and analysis is designed to assist the reader in focusing on the significant financial and management issues and activities and to identify any significant changes in the financial statements as a whole.

**All amounts are expressed in actual dollars.**

**Financial Highlights:**

Operating income (loss) for The County of Chenango Industrial Development Agency was (\$27,341) for fiscal year 2011, compared to (\$3,589) for fiscal year 2010 and \$11,850 for fiscal year 2009. This represents a decrease in revenue of \$22,757 from 2010. This decrease was mainly caused by a \$21,100 reduction in Rental Income and a \$5,445 drop in Interest Income. At the close of fiscal 2011, the Agency had net assets of \$1,413,667 a decrease of \$26,931 from the prior year. The term "net assets" refers to the difference between assets and liabilities.

**Overview of Operations and Financial Statements:**

The Agency owns and operates several business parks that support manufacturing tenants. Currently, the Agency's incubator property at the Warren Eaton Airport is only partially rented by a single tenant, as the other tenant consolidated their operations with their parent company in Binghamton. Therefore, half of the building is currently vacant, resulting in reduced rental income and increased expense for utilities and advertising the vacancy. Chentronics, the current tenant requested, and the Agency granted, a right of first refusal to occupy the entire incubator. During 2011, Chentronics' parent company was acquired by a competitor, resulting in the potential for increased business. The company has since exercised their option and requested significant repairs and renovations be undertaken by the Agency to better suit their business needs. A five year lease was signed, allowing the Agency to recapture its investment over the period of the lease as well as a fair rate for building rental. The Agency solicited bids for design and construction services for these renovations and Nelson Associates was the most economical bidder and was selected. The Agency voted to invest a maximum of \$250,000 of its own funds to finance this project.

The Agency is the recognized owner of the Chenango County properties of the New York, Susquehanna and Western Railroad. As a result of the discovery of environmental contamination by TCE on a portion of the Railroad property, the Agency passed a resolution in 2005 to create a Project with the State of New York to resolve this issue. Flood damage closed the railroad south of Sherburne, NY several years ago and this fall's hurricane and a following tropical storm rendered the line inoperable. The Agency staff met with Railroad management to determine what action could be taken to re-establish at least partial service. Prospective users met with Railroad management following that meeting. The Agency authorized payment of \$1,500 to Stone Consulting & Design to prepare a grant request to NYSDOT for funds to assist the Railroad in making repairs to the line toward Utica. The Agency was notified of a grant award of \$772,422. This amount is much less than requested. It has not been determined how these funds might best be applied. Interest has been expressed by several parties in creating a "rail trail" on a closed portion of the right-of-way from South Oxford to Norwich. Jerry Locke of Oxford spoke to the Agency about a potential project citing the Virginia Creeper Rail Trail as an example. As long as there is a chance that the line might reopen, the Agency has deferred any action toward alternative uses of the property, including this one.

Technofil, a Peruvian company, manufacturing copper products, requested assistance for the purchase of Sherburne Metal Products' assets. Sherburne Metal Products is closed due to the recent death of its founder. Technofil requested an exemption from sales taxes on construction materials and a partial exemption from property taxes for a ten year period. The Agency, following public hearing, granted the Company's request with a 50% exemption for years one through five followed by reductions of 40%, 30%, 20%, 10%, and 5% in years six through ten respectively. The Company's real property would become fully taxable in year eleven. Technofil has since closed on the property, also paying Sherburne Metal Products' property taxes which had fallen several years in arrears, and has commenced hiring personnel for the operation of the facility.

The Agency's staff received a request from Norwich Pharmaceuticals for a Foreign Trade Zone designation in Chenango County. There are a number of such zones in New York State. It was found that rather than establishing a new zone, the Onondaga County Zone could create a sub-zone of their charter to satisfy Norwich Pharmaceuticals' request. The request is currently on hold until the Company determines how they wish to proceed.

Agro-Farma, Inc. produces a very popular yogurt product from milk obtained from farmers in our area and others in the Northeastern United States. The Agency has a long-standing goal to assist the farmers of Chenango County in any way that it is able. Furthermore, the above expansion will create a large number of new production and distribution jobs, increase the tax base for the various public entities, and will increase demand for fluid milk, benefiting dairy farmers. The Company prepared a phased expansion plan to meet increasing demand for their popular product. The Agency assisted the Company in each of these phases. As a result, jobs lost when a previous operator closed the facility have all been regained and that workforce has expanded to a recent count of 823 jobs in Chenango County, over 500 of which were added in 2011 alone.

Phase I (\$22 million) of Agro-Farma's expansion plans was started in 2010 with the purchase of a lot across the county highway from their facility that was under lease for parking. The lot would be the site of a 150,000 square foot refrigerated warehouse, an elevated conveyor belt to transport product from the manufacturing area across the road to the warehouse, new material handling equipment, and additional product space modifications. The company requested exemption from sales taxes for construction material purchases. A PILOT was not requested at this time. The Agency voted to grant the Company's request. Phase I was to be complete by January, 2011.

Phase II (\$64 million) of the Company's plan involved the purchase of additional manufacturing equipment, renovations to 70,000 square feet of production area, a new milk receiving bay, and new control structures for their waste water treatment. At this time, Company management requested a PILOT schedule for the new Phase I warehouse, as well as Phase II items. After public hearing, the Agency granted the request. Estimated completion is scheduled for the first quarter of 2012.

Phase III (over \$100 million) of the plan will create the addition of 85,000 sq. ft. for a new palletizer building for packaging, palletizing, chilling and conveying of increased volumes of product. In addition, a 12,000 sq. ft. filler building will be constructed with three new filler lines, also a four-story, 17,000 sq. ft. "wellness" building, two new receiving bays, a 300 space parking lot, and a number of additional items to facilitate increased production. The Company indicated that 106 new jobs will be added by this investment. Estimated completion of this phase will be in the second quarter of 2012. The Company requested a sales tax exemption on construction materials and a PILOT schedule for this new investment. A public meeting was held and at a special meeting of the Board, this incentive was approved.

The preceding discussion is provided to give the reader a clear idea of the nature and scope of the activities undertaken by Agro-Farma and actions that were undertaken on their behalf by the Agency's Staff and Board.

As part of the Agro-Farma growth plan, a new electric power transmission line and sub-station will be required. New York State Electric and Gas (NYSEG) requested that the Agency assist them by providing an exemption from sales taxes on construction materials and a payment in lieu of taxes (PILOT) on the real estate involved in the project. A hearing will be scheduled by the Agency in early 2012 to receive public opinion on the project. No other action was taken on this request in 2011.

A Strategic Plan was developed by the Agency and received formal approval of the Board in 2008 and is now in place. By agreement, the plan receives annual review and is modified accordingly. The Agency's bylaws are reviewed periodically to identify deficiencies. Several deficiencies were identified in 2010 and were corrected and approved. Additional policies and procedures were created and approved in 2011. We believe they now reflect known legal requirements. A new support services agreement was created, contracting with Commerce Chenango to provide all management and service needs for the Agency. That agreement will take effect January 1, 2012 and can be renewed at the Board's discretion, annually. As part of the Agency's affiliation with Commerce Chenango, the Agency agreed to make a one-time payment of \$20,000 to Commerce Chenango to help fund a move to new offices on South Broad Street.

**Basic financial statements.** The basic financial statements are designed to provide readers with a broad overview of the Agency's finances, in a manner similar to a private-sector business. Statements are provided on an accrual accounting basis.

The statement of net assets (Balance Sheet) presents information on all of the Agency's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the agency is improving or deteriorating. Net assets increase when revenues exceed expenses. Increases to assets without a corresponding increase to liabilities, result in increased net assets, which indicate an improved financial position.

The statements of revenues, expenses, and changes in fund net assets present information showing how the Agency's net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event occurs, regardless of timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

**Notes to financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

**Other information.** In addition to basic financial statements and accompanying notes, this report also presents certain additional information on schedules, concerning the Agency's cash in bank accounts, investments, lease receivables, bonds outstanding, and straight leases of Agency properties.

**Financial Analysis.** Net assets may serve, over time, as a useful indicator of a government's financial position. In the case of the Agency, assets exceeded liabilities by \$1,413,667 at the close of the most recent fiscal year. This represents a decrease of (1.8%) over the previous year.

The smaller portion of the Agency's net assets reflects its investments in the lands and buildings of industrial parks. The balance of net assets (the larger proportion) of the Agency reflects cash or cash equivalents and accounts receivable, less allowance for doubtful accounts (if necessary). Current assets in the amount of \$786,803 at the end of the latest fiscal period represent a decrease of (1.9%) from the previous fiscal year.

**County of Chenango Industrial Development Agency**  
**Net Assets**

	<u>2011</u>	<u>2010</u>	<u>2009</u>
<b>ASSETS</b>			
Current Assets	\$ 786,803	\$ 801,715	\$ 773,285
Net Fixed Assets	<u>640,691</u>	<u>659,873</u>	<u>679,055</u>
<b>Total Assets</b>	<u><b>1,427,494</b></u>	<u><b>1,461,588</b></u>	<u><b>1,452,340</b></u>
<b>LIABILITIES</b>			
Current Liabilities	<u>13,827</u>	<u>20,990</u>	<u>15,333</u>
<b>Total Liabilities</b>	<u><b>13,827</b></u>	<u><b>20,990</b></u>	<u><b>15,333</b></u>
<b>NET ASSETS</b>			
Invested in Capital Assets, Net of Related Debt	<u>640,691</u>	<u>659,873</u>	<u>679,055</u>
Unrestricted	<u>772,976</u>	<u>780,725</u>	<u>757,952</u>
<b>Total Net Assets</b>	<u><b>\$ 1,413,667</b></u>	<u><b>\$ 1,440,598</b></u>	<u><b>\$ 1,437,007</b></u>

**Changes in Net Assets**

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Operating Revenues	\$ 105,572	\$ 121,987	\$ 122,365
Operating Expenses	<u>(132,913)</u>	<u>(125,576)</u>	<u>(110,515)</u>
<b>Operating Income (Loss)</b>	<u><b>(27,341)</b></u>	<u><b>(3,589)</b></u>	<u><b>11,850</b></u>
Non-Operating Income	<u>410</u>	<u>7,180</u>	<u>9,857</u>
<b>Change in Net Assets</b>	<u><b>(26,931)</b></u>	<u><b>3,591</b></u>	<u><b>21,707</b></u>
<b>Net Assets, Beginning of the Year</b>	<u><b>1,440,598</b></u>	<u><b>1,437,007</b></u>	<u><b>1,415,300</b></u>
<b>Net Assets, End of the Year</b>	<u><b>\$ 1,413,667</b></u>	<u><b>\$ 1,440,598</b></u>	<u><b>\$ 1,437,007</b></u>



## **Cash Flows**

There was a net decrease of (\$15,206) in cash and investments for 2011, a 1.9% decrease from 2010. The reason for the decrease in cash was from ongoing operations of the Agency.

## **Capital Assets and Debt Administration**

During 2011, the Agency had no significant capital transactions.

## **Economic Factors**

The management of the Agency is not aware of any economic factors or conditions that have changed since December 31, 2011 that will have any significant effect on the Agency into the future.

## **Request for Information**

This financial report is designed to provide a general overview of the Agency's finances for the reader. Questions concerning any of the information provided in this report or request for additional information should be addressed to the Board of Directors, County of Chenango Industrial Development Agency, 19 Eaton Avenue, Norwich, New York 13815.

Prepared for The Chenango County Industrial Development Agency by:  
William G. Ballard, Treasurer

COUNTY OF CHENANGO INDUSTRIAL DEVELOPMENT AGENCY  
 STATEMENTS OF NET ASSETS  
 AS OF DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 479,046	\$ 795,683
Investments	301,431	-
Prepaid Expense	<u>6,326</u>	<u>6,032</u>
<b>Total Current Assets</b>	<u>786,803</u>	<u>801,715</u>
<b>Fixed Assets</b>		
Land - Earl B. Clark Park	238,000	238,000
Incubator Project Costs	<u>767,274</u>	<u>767,274</u>
	1,005,274	1,005,274
<b>Less: Accumulated Depreciation</b>	<u>(364,583)</u>	<u>(345,401)</u>
<b>Net Fixed Assets</b>	<u>640,691</u>	<u>659,873</u>
<b>TOTAL ASSETS</b>	<u>1,427,494</u>	<u>1,461,588</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Liabilities</b>		
Accounts Payable	995	8,195
Deferred Revenue	<u>12,832</u>	<u>12,795</u>
<b>Total Liabilities</b>	<u>13,827</u>	<u>20,990</u>
<b>NET ASSETS</b>		
Invested in Capital Assets, Net of Related Debt	640,691	659,873
Unrestricted	<u>772,976</u>	<u>780,725</u>
<b>TOTAL NET ASSETS</b>	<u>\$ 1,413,667</u>	<u>\$ 1,440,598</u>

See the accompanying notes to financial statements.

**COUNTY OF CHENANGO INDUSTRIAL DEVELOPMENT AGENCY  
STATEMENTS OF REVENUES, EXPENSES  
AND CHANGES IN NET ASSETS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010**

	<u>2011</u>	<u>2010</u>
<b>Operating Revenues</b>		
Property Rental	\$ 55,871	\$ 76,971
Project Fees	43,905	33,376
Grant Revenue - Lee Avenue Railroad Area	-	9,125
Other	5,796	2,515
	<u>105,572</u>	<u>121,987</u>
<b>Operating Expenses</b>		
Economic Development	48,500	45,000
Depreciation	19,182	19,182
Repairs and Maintenance	16,581	16,769
Grant Expense - Lee Avenue Railroad Area	-	9,125
Legal and Auditing	9,696	8,538
Insurance	7,781	7,952
PILOT	2,250	2,000
Utilities	4,095	2,789
Office and Miscellaneous Expense	22,833	11,255
Consulting Expense - Engineering	1,000	-
Park Development	-	2,000
Rent	995	966
	<u>132,913</u>	<u>125,576</u>
<b>Operating Loss</b>	<b>(27,341)</b>	<b>(3,589)</b>
<b>Non-Operating Revenue</b>		
Investment Return	<u>410</u>	<u>7,180</u>
<b>Change in Net Assets</b>	<b>(26,931)</b>	<b>3,591</b>
Net Assets at the Beginning of the Year	<u>1,440,598</u>	<u>1,437,007</u>
<b>Net Assets at the End of the Year</b>	<b><u>\$ 1,413,667</u></b>	<b><u>\$ 1,440,598</u></b>

See the accompanying notes to financial statements.

COUNTY OF CHENANGO INDUSTRIAL DEVELOPMENT AGENCY  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
<b>Cash Flows From Operating Activities</b>		
Cash Received from Providing Services	\$ 105,609	\$ 125,748
Cash Payments for Contractual Expenses	<u>(121,225)</u>	<u>(100,856)</u>
<b>Net Cash Provided By (Used In) Operating Activities</b>	<u>(15,616)</u>	<u>24,892</u>
<b>Cash Flows From Investing Activities:</b>		
Proceeds of Investments	50,000	709,552
Purchase of Investments	(351,755)	-
Interest and Dividend Income	<u>734</u>	<u>7,180</u>
<b>Net Cash Provided By (Used In) Investing Activities</b>	<u>(301,021)</u>	<u>716,732</u>
<b>Increase (Decrease) In Cash</b>	<b>(316,637)</b>	<b>741,624</b>
Cash at Beginning of Year	<u>795,683</u>	<u>54,059</u>
<b>Cash at End of Year</b>	<u><b>\$ 479,046</b></u>	<u><b>\$ 795,683</b></u>
<b>Reconciliation of Operating Income to Net Cash Provided By (Used In) Operating Activities:</b>		
Operating Loss	\$ (27,341)	\$ (3,589)
<b>Adjustments to Reconcile to Net Cash Provided By (Used In) Operating Activities:</b>		
Depreciation	19,182	19,182
<b>Changes in Assets and Liabilities:</b>		
Prepaid Expenses	(294)	(119)
Deferred Revenue	37	-
Due from other Governments	-	3,761
Accounts Payable and Security Deposit	<u>(7,200)</u>	<u>5,657</u>
<b>Net Cash Provided By (Used In) Operating Activities</b>	<u><b>\$ (15,616)</b></u>	<u><b>\$ 24,892</b></u>

See the accompanying notes to financial statements.

COUNTY OF CHENANGO INDUSTRIAL DEVELOPMENT AGENCY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2011

NOTE 1 - ORGANIZATION

**Operations** - The County of Chenango Industrial Development Agency (the Agency), in Norwich, New York, is a public benefit corporation created under the mandate of Article 18-A, "New York State Industrial Development Agency Act", of New York State general municipal law.

The Agency was established to attract new industry to the County, to encourage plant modernization, to create job opportunities for the citizens of Chenango County, and to promote commerce and industry. The Agency is authorized to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing industrial, manufacturing, warehousing, commercial, research and recreation facilities, educational or cultural facilities, railroad facilities, civic facilities owned or occupied by not-for-profit corporations, and horse racing facilities and thereby advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York and improve their recreation opportunities, prosperity and standard of living.

One of the Agency's functions is to authorize the issuance of industrial bonds for industrial development projects. The Agency reviews and determines whether to recommend approval of those applicants wishing to obtain financing. The Agency receives application fees from applicants and closing fees from those accepted for industrial revenue financing.

The Agency is a component unit of Chenango County, New York, based on the criteria set forth in Governmental Accounting Standards Board (GASB) Statement No. 14, as revised by GASB Statement No. 39. The criteria includes financial accountability (Agency must submit all financial reports to Chenango County) and oversight responsibility (some of Chenango County's Board of Supervisors are members of the Agency's Board of Directors).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. **Measurement Focus, Basis of Accounting and Financial Statement Presentation** - The Agency's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The following is a summary of the significant accounting policies followed in the preparation of the Agency's financial statements. The accounting policies of the Agency conform to generally accepted accounting principles in the United States of America. The Agency reports are based on all applicable Governmental Accounting Standards Board (GASB) pronouncements as well as applicable Financial Accounting Standards Board (FASB) - Codification issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

In December 1998, GASB released Statement No. 33, "*Accounting and Financial Reporting for Nonexchange Transactions*," which revised reporting of property tax and grant revenue. In June 1999, GASB approved Statement No. 34, "*Basic Financial Statements and Management Discussion and Analysis for State and Local Governments*". The Agency was required to implement the changes for the year ended December 31, 2003. The change in financial statement presentation requires capitalization of assets, recording of depreciation and eliminates fund reporting. The Agency has historically recorded assets and depreciation; therefore, the significant change was the elimination of fund reporting.

COUNTY OF CHENANGO INDUSTRIAL DEVELOPMENT AGENCY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Income Tax - The Agency is a public benefit corporation and is, therefore, exempt from federal and state income tax.

C. Cash and Cash Equivalents - For the purposes of presenting the statement of cash flows, the Agency considers all demand deposits, time and savings accounts and certificates of deposit with an original maturity of three months or less to be cash equivalents.

D. Investments - Investments are Bonds with maturities from one to five years.

E. 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.

F. Industrial Revenue Bond and Note Transactions - The Agency exercises its mandated power and lawful authority to cause bonds to be issued, to have the proceeds used to construct and equip facilities, to mortgage such facilities as security, and to lease such facility for rentals sufficient to repay the bond proceeds and related interest. The bonds are special obligations of the Agency payable solely from the revenues and receipts derived from the leasing or sale of the underlying facility, or from enforcement of any security provided by the mortgage and assignment. In effect, while the Agency serves as a vital conduit in arranging for the financing of construction, and is the apparent owner of record, as a practical matter, bondholders look to the facility and to the owners of the beneficial interests therein for ultimate satisfaction of their debt. The agreements recite that neither the members of the Agency nor any person executing the bonds is liable personally thereon by reason of the issuance thereof. It is contemplated that the beneficial owners of the facility will acquire such facility for a nominal consideration upon the termination of the lease term and the repayment of the bond issued. On a de facto, substantive basis, the lessees of the facilities may be viewed as the owners, in an economic, if not a formal, sense. Because of this economic interest, the bond liabilities and the related assets consisting of underlying properties are not reflected in the financial statements of the Agency.

G. Fee Income and Grant Accounting - Pass-through grants are recorded as receivables, revenues, liabilities and expenses when awarded. All other grants are recorded as receivables and deferred revenues upon award of the contracts; revenues are recognized as the Agency meets performance requirements of the contracts. The Agency charges a service fee for each project, the proceeds of which are intended to be used for Agency expenses and to fund continuing operations.

H. Contributed Facilities and Services - The Agency, with the consent of the Chenango County's Board of Supervisors, is authorized to use and has shared county employees, facilities and equipment. The value of these facilities and services is not included within these financial statements.

Chenango County provides economic development funding to various local economic development organizations from which many of the Agency's operating expenses are paid. Any expenses not covered by this funding are paid by the Agency.

COUNTY OF CHENANGO INDUSTRIAL DEVELOPMENT AGENCY  
 NOTES TO FINANCIAL STATEMENTS  
 DECEMBER 31, 2011

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

I. **Fixed Assets** – All acquisitions of property and equipment are capitalized and recorded at cost. 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 reversionary interests by grantor agencies in the assets. Capital assets as defined by the Agency are assets with an initial unit cost of \$1,000 or more and an estimated life in excess of one year. Donated capital assets are recorded at estimated fair market value at the date of 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 estimated useful lives (see Note 6 for further detail).

<u>Assets</u>	<u>Years</u>
Buildings	40
Building Improvements	20 - 40
Equipment	3 - 7

J. **Operating Revenues and Expenses** - The statement of revenues, expenses, and changes in net assets distinguishes between operating and non-operating revenues. For this purpose, operating revenues, such as fee and rental income, result from exchange transactions associated with the principal activities of the Agency. Exchange transactions are those in which each party to the transactions receives or gives up essentially equal values. Non-operating revenues arise from exchange transactions not associated with the Agency's principal activities (such as investment income) and from all nonexchange transactions (such as applicable grants).

K. **Prepaid Expenses** – Prepaid items represent payments made by the Agency for which benefits extend beyond year-end. These items reflect costs applicable to future accounting periods and are recorded as prepaid at the time of purchase and as an expense in the year the goods or services are consumed.

L. **Net Assets** – The Agency reports its net assets in three components. Net assets invested in capital assets are equal to amounts reported for capital assets, net of related debt and accumulated depreciation. Restricted net assets are reported when assets (net of related debt) can only be used for a specified purpose that is established by grantors, contributors, or laws or regulations governing the Agency. For this reason, all restricted net assets are considered expendable. Unrestricted net assets are all other Agency net assets that do not meet the definitions of invested in capital assets or restricted.

NOTE 3 - COMMITMENTS AND CONTINGENCIES

A. **Grants** - The Agency receives grants from other governments that are subject to audit by agencies of the state and federal government. Such audits may result in disallowances and a request for return of funds. The Agency believes that disallowances, if any, will be immaterial.

B. **Risks** - The Agency is exposed to various risks of loss related to theft of, damage to, and destruction of assets; injuries to related parties 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 coverage for the past year.

COUNTY OF CHENANGO INDUSTRIAL DEVELOPMENT AGENCY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2011

NOTE 3 - COMMITMENTS AND CONTINGENCIES (Continued)

C. Lease Agreement - In May 1990, the Agency entered into a ninety-nine year lease agreement with Chenango County, for the rental of 1.59 acres at the Lt. Warren Eaton Airport. The Agency may terminate the lease upon twelve months written notice to the County. As of the audit report date, no notice has been given to the County. An industrial incubator building was constructed on the property, by the Agency, which is subleased by one manufacturing company.

Each year, the annual rent is calculated by multiplying the prior year rent expense by the Consumer Price Index for the Binghamton, New York region. Rent expense, for the property described above, for 2011 and 2010 totaled \$586 and \$569, respectively. The future minimum lease payments based on the currently available Consumer Price Index are estimated as follows:

2012	\$	604
2013		622
2014		640
2015		659
2016		679
Thereafter		178,455
<b>Total</b>	<b>\$</b>	<b>181,659</b>

D. Lease Agreement - In September 1994, the Agency entered into a ninety-nine year lease agreement with Chenango County, for an additional 1.27 acres of land at the Lt. Warren Eaton Airport. This land is subleased to a local manufacturing company. The Agency may terminate the lease upon twelve months written notice to the County. As of the audit report date, no notice has been given to the County.

Each year, the annual rent is calculated by multiplying the prior year rent expense by the Consumer Price Index for the Binghamton, New York region. Rent expense, for the property described above, for 2011 and 2010 totaled \$409 and \$397, respectively. The Agency pays the annual rent expense to Chenango County and then bills the subtenant for reimbursement. The subtenant has a lease that runs concurrently with the Agency's lease. The future minimum lease payments based on the currently available Consumer Price Index are estimated as follows:

2012	\$	422
2013		434
2014		447
2015		461
2016		475
Thereafter		142,388
<b>Total</b>	<b>\$</b>	<b>144,627</b>

E. Payment in Lieu of Taxes - In January 1999, the Agency entered into an agreement with the Town of North Norwich for Payment in Lieu of Taxes (PILOT) for the Earl B. Clark Park.

The Agency is required to make an annual PILOT payment to the Town in the amount of \$2,000. The agreement remains in effect while the Agency is the holder of title to all or a portion of the property, and all annual tax payments and/or PILOT payments made by all third party owners, lessees, licensees, or occupants of the premises total less than \$2,000 per year. Any payments made by the aforementioned parties, if any, would reduce the annual amount due from the Agency.



COUNTY OF CHENANGO INDUSTRIAL DEVELOPMENT AGENCY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2011

**NOTE 4 - CUSTODIAL CREDIT, CONCENTRATION OF CREDIT, INTEREST RATE AND FOREIGN CURRENCY RISKS**

State statutes govern the Agency's investment policies. Agency monies must be deposited in FDIC insured commercial banks or trust companies located within the State. Permissible investments include obligations of the U.S. Treasury, obligations of New York State or its localities, demand accounts and certificates of deposit.

Custodial risk is the risk that in the event of a bank failure, the Agency's deposits may not be returned to it. Collateral is required for demand deposits and certificate of 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. GASB Statement No. 40 directs that deposits be disclosed as exposed to credit risk if they are not covered by depository insurance, and the deposits are either:

- A) Uncollateralized,
- B) Collateralized with securities held by the pledging financial institution, or
- C) Collateralized with the securities held by the pledging financial institution's trust department or agent but not in the Agency's name.

The Agency's aggregate bank balances in the amount of \$780,477 are under collateralized by \$699,851.

**NOTE 5 - INVESTMENTS**

All investments are measured at fair value in the statement of net assets.

Investments at December 31, 2011 are as follows:

	<u>FMV</u>	<u>Cost</u>
U.S. Government Securities	\$ 199,928	\$ 199,926
New York Municipal Obligations	<u>101,503</u>	<u>101,831</u>
<b>Total</b>	<b><u>\$ 301,431</u></b>	<b><u>\$ 301,757</u></b>

Investment return is summarized as follows for the years ended December 31:

	<u>2011</u>	<u>2010</u>
<b>Net Realized and Unrealized Loss on Investments</b>	<b><u>\$ (324)</u></b>	<b><u>\$ -</u></b>
<b>Investment Income</b>		
Dividend Income	16	-
Interest Income	<u>718</u>	<u>7,180</u>
<b>Total Investment Income</b>	<b><u>734</u></b>	<b><u>7,180</u></b>
<b>Total Investment Return (Loss)</b>	<b><u>\$ 410</u></b>	<b><u>\$ 7,180</u></b>

COUNTY OF CHENANGO INDUSTRIAL DEVELOPMENT AGENCY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2011

**NOTE 6 - FIXED ASSETS**

The detail of the fixed assets in the accompanying statement of net assets is as follows:

<u>Fixed Assets</u>	<u>Balance</u> <u>12/31/10</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/11</u>
Land	\$ 238,000	\$ -	\$ -	\$ 238,000
Buildings and Improvements	<u>767,274</u>	<u>-</u>	<u>-</u>	<u>767,274</u>
	<u>\$ 1,005,274</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,005,274</u>

The detail of accumulated depreciation in the accompanying statement of net assets is as follows:

<u>Accumulated Depreciation</u>	<u>Balance</u> <u>12/31/10</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/11</u>
Buildings and Improvements	<u>\$ 345,401</u>	<u>\$ 19,182</u>	<u>\$ -</u>	<u>\$ 364,583</u>

**NOTE 7 - LITIGATION**

Per legal counsel, the Agency has been notified by the New York State Department of Environmental Conservation that certain land of the New York Western & Susquehanna Railway Corporation (Corporation) located in the City of Norwich may be the source of environmental contamination that is possibly posing a health risk to surrounding properties. Under the written lease agreement between the Agency and the Corporation, the Corporation is required to defend, indemnify, save and hold harmless the Agency from and against any and all suits, claims, judgments, damages arising out of the same. The Corporation is aware of the situation and had acknowledged its obligation to defend and indemnify the Agency.

**NOTE 8 - EVENTS OCCURRING AFTER REPORTING DATE**

The Corporation has evaluated events and transactions that occurred between January 1, 2012 and March 26, 2012, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

COUNTY OF CHENANGO INDUSTRIAL DEVELOPMENT AGENCY  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2011

**NOTE 9 - FAIR VALUE OF FINANCIAL INSTRUMENTS**

Fair values of assets measured utilizing the following levels of the fair value hierarchy:

- Level 1: Quoted prices in active markets for identical assets
- Level 2: Observable inputs other than the quoted prices included in Level 1
- Level 3: Significant unobservable input

Level 1 assets are fixed income government securities and municipal obligation bonds as outlined in the following tables. The fair value of these assets is based on asset values, provided by the financial institutions at which the assets are held, for the amounts held by the Agency. Fair values of assets measured utilizing the levels of the fair value hierarchy as of:

<u>December 31, 2011</u>	<u>Fair Value</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Fixed Income Securities	<u>\$ 301,431</u>	<u>\$ 301,431</u>	<u>\$ -</u>	<u>\$ -</u>

**NOTE 10 - SUBSEQUENT EVENTS**

During February 2012, the Agency signed a five year lease with Chentronics Corporation starting March 1, 2012. The lease has five one year renewal options which rent increases to \$7 per square foot for the first renewal options and 103% increase each year thereafter. The Agency is required to make improvements to the building up to \$250,000. The Agency has received bids for the improvements but no contracts have been signed. The future annual lease payments are as follows:

2012	\$ 130,500
2013	159,210
2014	162,422
2015	165,730
2016	169,134
Thereafter	<u>28,284</u>
	<u>\$ 815,280</u>

*Officers:*  
James J. Lewis, CPA\*, ABV, CVA+  
Alan D. Piaker, CPA  
Ronald L. Simons, CPA  
Roy E. Fuller, CPA  
John R. May, CPA\*  
Angelo J. Gallo, CPA  
Richard A. Lynch, CPA  
Amy E. Brown, CPA\*\*  
Janeen F. Sutryk, CPA\*



Philip M. Piaker, CPA  
(1921-2003)  
Abraham L. Piaker, CPA  
(1925-2005)

*Of Counsel:*  
Allan R. Lyons, CPA  
Kenneth L. Coleman, CPA

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\*Also Licensed in Pennsylvania  
\*\*Also Licensed in Maryland

*Also Member of:*  
\*National Association of Certified Valuation Analysts  
\*Pennsylvania Institute of Certified Public Accountants

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors  
County of Chenango Industrial Development Agency  
19 Eaton Avenue  
Norwich, New York 13815

We have audited the financial statements of the COUNTY OF CHENANGO INDUSTRIAL DEVELOPMENT AGENCY, a component unit of Chenango County, New York as of and for the year ended December 31, 2011, and have issued our report thereon March 26, 2012. 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.

**Internal Control Over Financial Reporting**

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

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 misstatements on a timely basis. A material weakness is a deficiency, or 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 over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

# Piaker & Lyons

To The Board of Directors  
County of Chenango Industrial  
Development Agency

## Compliance and Other Matters

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

This report is intended solely for the information and use of management, Chenango County and New York State, and is not intended to be and should not be used by anyone other than these specified parties.

  
PIAKER & LYONS, P.C.

Binghamton, New York  
March 26, 2012

*Officers:*

James J. Lewis, CPA\*, ABV, CVA+  
Alan D. Piaker, CPA  
Ronald L. Simons, CPA  
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## INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROLS

Board of Directors  
Chenango County Industrial Development Agency  
Norwich, New York

We have audited management's assertion that Chenango County Industrial Development Agency maintained effective internal control over financial reporting as of December 31, 2011. The Agency's management is responsible for maintaining effective internal control over financial reporting, and for its assertion of the effectiveness of internal control over financial reporting. Our responsibility is to express an opinion on management's assertion based on our examination.

We conducted our audit in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

An entity's internal control over financial reporting is a process affected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the preparation of reliable financial statements in accordance with accounting principles generally accepted in the United States of America. An entity's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in a reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity, (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of the entity are being made only in accordance with authorization of management and those charged with governance; and (3) provide reasonable assurance regarding prevention, or timely detection and correction of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

# Piaker & Lyons

To The Board of Directors  
County of Chenango Industrial  
Development Agency

In our opinion, management's assertions that Chenango County Industrial Development Agency maintained effective internal control over financial reporting as of December 31, 2011 is fairly stated, in all material respects.

We have audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the authority and our report dated March 26, 2012 expressed an unqualified opinion.

This report is intended solely for the information and use of the Board of Directors, management, Chenango County and New York State and is not intended to be and should not be used by anyone other than these specified parties.

  
PIAKER & LYONS, P.C.

Binghamton, New York  
March 26, 2012

COUNTY OF CHENANGO INDUSTRIAL DEVELOPMENT AGENCY  
 SCHEDULE OF BONDS OUTSTANDING  
 DECEMBER 31, 2011

SCHEDULE 1 - SCHEDULE OF BONDS OUTSTANDING

<u>Name of the Project and Address of the Owner</u>	<u>Month/ Year</u>	<u>Current Interest Rate (%)</u>	<u>Outstanding 1/1/11</u>	<u>Additional Draw Downs</u>	<u>Paid 2011</u>	<u>Outstanding 12/31/2011**</u>	<u>Final Maturity Date</u>
Baillie Lumber	12/00	Variable	\$ 551,000	\$ -	\$ (551,000)	\$ -	2/2012
Chenango Memorial Hospital	12/98	5.75%	937,788	-	(278,332)	659,456	1/2014
Grace View Manor	9/03	Variable	3,455,000	-	(3,455,000)	-	2/2029
Mid-York Press, Inc.	5/08	4.47%	2,265,471	-	(377,483)	1,887,988	6/2016
<b>Totals</b>			<b>\$ 7,209,259</b>	<b>\$ -</b>	<b>\$ (4,661,815)</b>	<b>\$ 2,547,444</b>	

\*\*These bonds are the responsibility of the company to which they were issued and are not an indebtedness of the County of Chenango Industrial Development Agency (See Note 2).

See the accompanying notes to financial statements.



# CCIDA Project Annual Report 2011

## Schedule of Supplemental Information

Project Name:	Norwich Pharmaceuticals, Inc.	Contact Person:	Anne Leibundgut
Address:	6826 State Highway 12 Norwich, NY 13815	Phone:	607-335-3477
		Fax:	607-335-3100

Project Code:	8017601
Taxable or Tax Exempt:	Taxable

Bond Project:	___
Lease Project:	<u>  X  </u>

Total Project / Lease Amount: \$126,000	Bond/Note Amount: \$	New tax revenue if no exemptions: \$	\$237,292.03
Benefited Project Amount: \$126,000	Straight Lease End Date: 3/1/17		

### Exemptions (what taxes would be without assistance)

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions (Net of 485-b Exemptions)
State: \$0	County: \$ 153,018.32	\$0	\$	
Local: \$0	Local: \$62,307.32			\$
	School: \$259,258.42			

### Payments in Lieu of Taxes (amount paid by you to taxing authorities)

County	City/Town/Village	School	Total PILOTS	Code
\$76,509.16	\$31,153.66	\$129,629.21	\$237,292.03	9

### Jobs Created and Retained

# FTE Jobs Prior to IDA Status	Original Estimate of Jobs to be Created	Estimated average salary new jobs	Original Jobs To be Retained	Estimated average salary of retained jobs	Current FTE's	#FTE Construction Jobs Created (FY)
202	0	0	202	40000	350	n/a

*(FTE = full time equivalent, generally an employee or two or more PT employees who work more than 35 hours per week; base on actual positions, not factoring in employee turnover)*

### Bonds and Notes Related to Project

Date of Issue	Interest Rate at Issuance	If variable applicable range	Balance Beg. Of FY	Issues During Year	Paid During FY	Outstanding End of FY	Final Maturity Date	Bond/ Note
			\$					

**Straight Leases:** Identify method of financial assistance utilized by project, other than tax exemptions claimed by project, by amount and type

\_\_\_\_\_

\_\_\_\_\_

**SIGNATURE:** Anne Leibundgut

**DATE:** 2/14/2012

See the accompanying notes to financial statements.

# CCIDA Project Annual Report 2011

## Schedule of Supplemental Information

Project Name:	Who's We, LLC	Contact Person:	Randall Hadeed
Address:	19 Eaton Avenue Norwich, NY 13815	Phone:	334-1419
		Fax:	334-7142

Project Code:	8010701
Taxable or Tax Exempt:	Taxable

Bond Project:	<input type="checkbox"/>
Lease Project:	<input checked="" type="checkbox"/>

Total Project / Lease Amount:	\$1,500,000.00	Bond/Note Amount:	\$	New tax revenue if no exemptions:	\$42,945.33
Benefited Project Amount:	\$1,500,000.00	Straight Lease End Date:	2017		

### Exemptions (what taxes would be without assistance)

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions (Net of 485-b Exemptions)
State: \$0	County: \$17,684.14	\$0	\$70,649.58	\$
Local: \$0	Local: \$20,422.76			
	School: \$32,542.68			

### Payments in Lieu of Taxes (amount paid by you to taxing authorities)

County	City/Town/Village	School	Total PILOTS	Code
\$5,912.07	\$7,147.97	\$14,644.21	\$27,704.25	1

### Jobs Created and Retained

# FTE Jobs Prior to IDA Status	Original Estimate of Jobs to be Created	Estimated average salary new jobs	Original Jobs To be Retained	Estimated average salary of retained jobs	Current FTE's	#FTE Construction Jobs Created (FY)
7	60	32,000.00	7	35,714.00	6	0

(FTE = full time equivalent, generally an employee or two or more PT employees who work more than 35 hours per week; base on actual positions, not factoring in employee turnover)

### Bonds and Notes Related to Project

Date of Issue	Interest Rate at Issuance	If variable applicable range	Balance Beg. Of FY	Issues During Year	Paid During FY	Outstanding End of FY	Final Maturity Date	Bond/ Note
			\$					

**Straight Leases:** Identify method of financial assistance utilized by project, other than tax exemptions claimed by project, by amount and type

\_\_\_\_\_  
\_\_\_\_\_

SIGNATURE: John Nelsen

DATE: 1/25/2012

See the accompanying notes to financial statements.

# CCIDA Project Annual Report 2011

## Schedule of Supplemental Information

<b>Project Name:</b>	Wagner Nineveh, Inc.	<b>Contact Person:</b>	Becky Spencer
<b>Address:</b>	County Route 26 (PO Box 61) Nineveh, NY 13813	<b>Phone:</b>	607-693-2690
		<b>Fax:</b>	607-693-2790

<b>Project Code:</b>	8010801
<b>Taxable or Tax Exempt:</b>	Taxable

<b>Bond Project:</b>	<input checked="" type="checkbox"/>
<b>Lease Project:</b>	<input type="checkbox"/>

<b>Total Project / Lease Amount:</b> \$1,500,000	<b>Bond/Note Amount:</b> \$	<b>New tax revenue if no exemptions:</b> \$21,622.20
<b>Benefited Project Amount:</b> \$800,000	<b>Straight Lease End Date:</b> 3/1/2018	

### Exemptions (what taxes would be without assistance)

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions (Net of 485-b Exemptions)
State: \$	County: \$9,555.91	\$	\$32,656.91	\$
Local: \$	Local: \$3,912.26			
	School: \$19,188.74			

### Payments in Lieu of Taxes (amount paid by you to taxing authorities)

County	City/Town/Village	School	Total PILOTS	Code
\$2,733.53	\$1,119.12	\$7,182.06	\$11,034.71	9

### Jobs Created and Retained

# FTE Jobs Prior to IDA Status	Original Estimate of Jobs to be Created	Estimated average salary new jobs	Original Jobs To be Retained	Estimated average salary of retained jobs	Current FTE's	#FTE Construction Jobs Created (FY)
27	9	30,000.00	27	44,500.00	48	0

### Bonds and Notes Related to Project

Date of Issue	Interest Rate at Issuance	If variable applicable range	Balance Beg. Of FY	Issues During Year	Paid During FY	Outstanding End of FY	Final Maturity Date	Bond/ Note

**Straight Leases:** Identify method of financial assistance utilized by project, other than tax exemptions claimed by project, by amount and type

\_\_\_\_\_

\_\_\_\_\_

**SIGNATURE:** Becky Spencer

**DATE:** 2/2/2012

See the accompanying notes to financial statements

# CCIDA Project Annual Report 2011

## Schedule of Supplemental Information

<b>Project Name:</b>	Upturn Industries	<b>Contact Person:</b> Donna Enck
<b>Address:</b>	2-4 Whitney Way Bainbridge, NY 13733	<b>Phone:</b> 607-967-2923 ext. 228 <b>Fax:</b> 607-967-5047

<b>Project Code:</b>	8010101
<b>Taxable or Tax Exempt:</b>	Taxable

<b>Bond Project:</b> ____
<b>Lease Project:</b> <u>  X  </u>

<b>Total Project / Lease Amount:</b> \$512,000.00	<b>Bond/Note Amount:</b> \$	<b>New tax revenue if</b>
<b>Benefited Project Amount:</b> \$512,000.00	<b>Straight Lease End Date:</b> 2011	<b>no exemptions:</b> \$1,952.14

### Exemptions (what taxes would be without assistance)

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions (Net of 485-b Exemptions)
State: \$	County: \$3,181.97	\$0	\$10,625.65	
Local: \$	Local: \$1,420.67			\$
	School: \$6,023.01			

### Payments in Lieu of Taxes (amount paid by you to taxing authorities)

County	City/Town/Village	School	Total PILOTS	Code
\$2,435.00	\$1,087.16	\$5,151.35	\$,8673.51	2

### Jobs Created and Retained

# FTE Jobs Prior to IDA Status	Original Estimate of Jobs to be Created	Estimated average salary new jobs	Original Jobs To be Retained	Estimated average salary of retained jobs	Current FTE's	#FTE Construction Jobs Created (FY)
38	19	25,900.00	38	22,028.00	30	0

(FTE = full time equivalent, generally an employee or two or more PT employees who work more than 35 hours per week; base on actual positions, not factoring in employee turnover)

### Bonds and Notes Related to Project

Date of Issue	Interest Rate at Issuance	If variable applicable range	Balance Beg. Of FY	Issues During Year	Paid During FY	Outstanding End of FY	Final Maturity Date	Bond/ Note
			\$					

**Straight Leases:** Identify method of financial assistance utilized by project, other than tax exemptions claimed by project, by amount and type

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**SIGNATURE:** Donna Enck

**DATE:** 1/26/2012

See the accompanying notes to financial statements.

# CCIDA Project Annual Report 2011

## Schedule of Supplemental Information

<b>Project Name:</b>	Baillie Lumber	<b>Contact Person:</b>	Jill Meyer
<b>Address:</b>	4002 Legion Drive (PO Box 6) Hamburg, NY 14075	<b>Phone:</b>	716-649-2850
		<b>Fax:</b>	716-648-7395

<b>Project Code:</b>	8010001
<b>Taxable or Tax Exempt:</b>	Taxable

<b>Bond Project:</b>	<input checked="" type="checkbox"/>
<b>Lease Project:</b>	<input type="checkbox"/>

<b>Total Project / Lease Amount:</b>	\$5,851,000.00	<b>Bond/Note Amount:</b>	\$5,851,000.00	<b>New tax revenue if no exemptions</b>	\$2,311.62
<b>Benefited Project Amount:</b>	\$5,200,000.00	<b>Straight Lease End Date:</b>	7/1/2011		

### Exemptions (what taxes would be without assistance)

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions (Net of 485-b Exemptions)
State: \$	County: \$21,957.00	\$		
Local: \$	Local: \$11,558.31			\$
	School: \$0			

### Payments in Lieu of Taxes (amount paid by you to taxing authorities)

County	City/Town/Village	School	Total PILOTS	Code
\$21,505.99	\$9,698.70	\$0.00	\$31,204.69	9

### Jobs Created and Retained

# FTE Jobs Prior to IDA Status	Original Estimate of Jobs to be Created	Estimated average salary new jobs	Original Jobs To be Retained	Estimated average salary of retained jobs	Current FTE's Employees	#FTE Construction Jobs Created (FY)
100	42	25,609.00	100	25,797.00	83	0

(FTE = full time equivalent, generally an employee or two or more PT employees who work more than 35 hours per week; base on actual positions, not factoring in employee turnover)

### Bonds and Notes Related to Project

Date of Issue	Interest Rate at Issuance	If variable applicable range	Balance Beg. Of FY	Issues During Year	Paid During FY	Outstanding End of FY	Final Maturity Date	Bond/Note
12/1/2000			\$551,000.00		\$551,000.00	\$0.00	2/1/2012	bond

**Straight Leases:** Identify method of financial assistance utilized by project, other than tax exemptions claimed by project, by amount and type

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**SIGNATURE:** Jill Meyer

**DATE:** 2/10/2012

See the accompanying note to financial statements.

# CCIDA Project Annual Report 2011

## Schedule of Supplemental Information

Project Name:	Bytheway Typesetting Services, Inc.	Contact Person:	Betty Bytheway
Address:	111 County Road 45 Norwich, NY 13815	Phone:	607-334-8365
		Fax:	

Project Code:	8019401
Taxable or	Taxable
Tax Exempt:	

Bond Project:	___
Lease Project:	<u>X</u>

Total Project / Lease Amount: \$50,000.00	Bond/Note Amount: \$	New tax revenue if
Benefited Project Amount: \$50,000.00	Straight Lease End Date: January 2017	no exemptions: \$

### Exemptions (what taxes would be without assistance)

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions (Net of 485-b Exemptions)
State: \$	County: \$3,746.63	\$	\$13,339.73	
Local: \$	Local: \$1,829.02			
	School: \$7,764.08			

### Payments in Lieu of Taxes (amount paid by you to taxing authorities)

County	City/Town/Village	School	Total PILOTS	Code
\$1,498.75	\$731.61	\$3,105.63	\$5,335.99	9

### Jobs Created and Retained

# FTE Jobs Prior to IDA Status	Original Estimate of Jobs to be Created	Estimated average salary new jobs	Original Jobs To be Retained	Estimated average salary of retained jobs	Current FTE's	#FTE Construction Jobs Created (FY)
17	2	22,000.00	17	23,066.00	8	0

(FTE = full time equivalent, generally an employee or two or more PT employees who work more than 35 hours per week; base on actual positions, not factoring in employee turnover)

### Bonds and Notes Related to Project

Date of Issue	Interest Rate at Issuance	If variable applicable range	Balance Beg. Of FY	Issues During Year	Paid During FY	Outstanding End of FY	Final Maturity Date	Bond/ Note
			\$					
<b>TOTALS:</b>								

**Straight Leases:** Identify method of financial assistance utilized by project, other than tax exemptions claimed by project, by amount and type

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**SIGNATURE:** Betty Bytheway

**DATE:** 2/16/2012

See the accompanying notes to financial statements.

**CCIDA Project Annual Report 2011**  
 Schedule of Supplemental Information Phase II Project

**PLEASE CHECK ALL INFORMATION CAREFULLY  
 AND FILL IN SHADED AREAS ONLY**

Project Name:	Agro-Farma, Inc.	Contact Person:	Nichole Weaver
Address:	111 County Road 45 Norwich, NY 13815	Phone:	607-337-1246
		Fax:	607-337-1244

Project Code:	8011001
Taxable or	Taxable
Tax Exempt:	

Bond Project:	<input type="checkbox"/>
Lease Project:	<input checked="" type="checkbox"/>

Total Project / Lease Amount: \$2,264,975	Bond/Note Amount: \$	New tax revenue if
Benefited Project Amount: \$2,264,975	Straight Lease End Date: 2021	no exemptions: \$1,772,738.61

**Exemptions (what taxes would be without assistance)**

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions (Net of 485-b Exemptions)
State: \$542,078	County: \$ 0	\$	\$1,780,627.46	\$
Local: \$542,078	Local: \$ 0			
	School: \$ 154,393.46			

**Payments in Lieu of Taxes (amount paid by you to taxing authorities)**

County	City/Town/Village	School	Total PILOTS	Code
\$0.00	\$0.00	\$7,888.85	\$7,888.85	9

**Jobs Created and Retained**

# FTE Jobs Prior to IDA Status	Original Estimate of Jobs to be Created	Estimated average salary new jobs	Original Jobs To be Retained	Estimated average salary of retained jobs	Current FTE's	#FTE Construction Jobs Created (FY)
250	100	24,000.00	250	24,000.00	966	projected

(FTE = full time equivalent, generally an employee or two or more PT employees who work more than 35 hours per week; base on actual positions, not factoring in employee turnover)

**Bonds and Notes Related to Project**

Date of Issue	Interest Rate at Issuance	If variable applicable range	Balance Beg. Of FY	Issues During Year	Paid During FY	Outstanding End of FY	Final Maturity Date	Bond/ Note
			\$					
<b>TOTALS:</b>								

**Straight Leases:** Identify method of financial assistance utilized by project, other than tax exemptions claimed by project, by amount and type

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**SIGNATURE:** Nichole Weaver

**DATE:** 2/10/2012

See the accompanying notes to financial statements.

# CCIDA Project Annual Report 2011

## Schedule of Supplemental Information

Project Name: CZ USA d/b/a Dan Wesson Firearms	Contact Person: Lynn Matthews, Treasurer	Project Code: 8010302
Address: PO Box 171073	Phone: 913-321-1811 x 304	Taxable or Taxable
Kansas City, KS 66117-0073	Fax: 913-321-2251	Tax Exempt:

Bond Project: <input checked="" type="checkbox"/> X
Lease Project: <input type="checkbox"/>

Total Project / Lease Amount: \$300,000.00	Bond/Note Amount: \$	New tax revenue if
Benefited Project Amount: \$300,000.00	Straight Lease End Date: 3/1/2014	no exemptions: \$1,981.53

### Exemptions (what taxes would be without assistance)

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions (Net of 485-b Exemptions)
State: \$	County: \$3,002.73	\$	\$10,506.44	
Local: \$	Local: \$1,052.99			\$
	School: \$6,450.72			

### Payments in Lieu of Taxes (amount paid by you to taxing authorities)

County	City/Town/Village	School	Total PILOTS	Code
\$2,252.05	\$789.75	\$5,483.11	\$8,524.91	9

### Jobs Created and Retained

# FTE Jobs Prior to IDA Status	Original Estimate of Jobs to be Created	Estimated average salary new jobs	Original Jobs To be Retained	Estimated average salary of retained jobs	Current FTE's	#FTE Construction Jobs Created (FY)
14	13	33,000.00	14	28,571.00	19	0

(FTE = full time equivalent, generally an employee or two or more PT employees who work more than 35 hours per week; base on actual positions, not factoring in employee turnover)

### Bonds and Notes Related to Project

Date of Issue	Interest Rate at Issuance	If variable applicable range	Balance Beg. Of FY	Issues During Year	Paid During FY	Outstanding End of FY	Final Maturity Date	Bond/ Note

**Straight Leases:** Identify method of financial assistance utilized by project, other than tax exemptions claimed by project, by amount and type

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**SIGNATURE:** Lynn Matthews

**DATE:** 1/19/2012 \_\_\_\_\_

See the accompanying notes to financial statements.



# CCIDA Project Annual Report 2011

## Schedule of Supplemental Information

Project Name:	NY Susquehanna & Western	Contact Person:	Nathan Fenno
Address:	One Railroad Avenue Cooperstown, NY 13326	Phone:	607-547-2555
		Fax:	607-547-8676

Project Code:	8010203
Taxable or	Taxable
Tax Exempt:	

Bond Project:	<input type="checkbox"/>
Lease Project:	<input checked="" type="checkbox"/>

Total Project / Lease Amount:	\$5,000.00	Bond/Note Amount:	\$5,000.00	New tax revenue if	
Benefited Project Amount:	\$5,000.00	Straight Lease End Date:	2011	no exemptions:	\$68,106.26

### Exemptions (what taxes would be without assistance)

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions (Net of 485-b Exemptions)
State: \$	County: \$20,100.10	\$	\$68,106.26	
Local: \$	Local: \$11,404.62			\$
	School: \$36,601.54			

### Payments in Lieu of Taxes (amount paid by you to taxing authorities)

County	City/Town/Village	School	Total PILOTS	Code
\$0	\$0	\$0	\$0	7

### Jobs Created and Retained

# FTE Jobs Prior to IDA Status	Original Estimate of Jobs to be Created	Estimated average salary new jobs	Original Jobs To be Retained	Estimated average salary of retained jobs	Current FTE's	#FTE Construction Jobs Created (FY)
72	0	0.00	72	45,344.00	72	0

(FTE = full time equivalent, generally an employee or two or more PT employees who work more than 35 hours per week; base on actual positions, not factoring in employee turnover)

### Bonds and Notes Related to Project

Date of Issue	Interest Rate at Issuance	If variable applicable range	Balance Beg. Of FY	Issues During Year	Paid During FY	Outstanding End of FY	Final Maturity Date	Bond/ Note
			\$					

**Straight Leases:** Identify method of financial assistance utilized by project, other than tax exemptions claimed by project, by amount and type

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SIGNATURE: Nathan Fenno\_\_\_\_

DATE: 3/8/12\_\_\_\_\_

See the accompanying notes to financial statements.

# CCIDA Project Annual Report

## Schedule of Supplemental Information

Project Name:	Chenango Memorial Hospital	Contact Person:	Vicki Smith
Address:	179 N. Broad Street Norwich, NY 13815	Phone:	607-337-4113
		Fax:	607-337-4284

Project Code:	8019802
Taxable or	Tax Exempt
Tax Exempt:	

Bond Project:	<input checked="" type="checkbox"/>
Lease Project:	<input type="checkbox"/>

Total Project / Lease Amount:	\$5,300,000.00	Bond/Note Amount:	\$5,300,000.00	New tax revenue if
Benefited Project Amount:	\$5,300,000.00	Straight Lease End Date:		no exemptions:

### Exemptions (what taxes would be without assistance)

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions (Net of 485-b Exemptions)
State: \$	County: \$	\$	\$	
Local: \$	Local: \$			\$
	School: \$			

### Payments in Lieu of Taxes (amount paid by you to taxing authorities)

County	City/Town/Village	School	Total PILOTS	Code
\$	\$	\$	\$	1

### Jobs Created and Retained

# FTE Jobs Prior to IDA Status	Original Estimate of Jobs to be Created	Estimated average salary new jobs	Original Jobs To be Retained	Estimated average salary of retained jobs	Current FTE's	#FTE Construction Jobs Created (FY)
574	0	0.00	574	28,549.50	440	0

(FTE = full time equivalent, generally an employee or two or more PT employees who work more than 35 hours per week; base on actual positions, not factoring in employee turnover)

### Bonds and Notes Related to Project

Date of Issue	Interest Rate at Issuance	If variable applicable range	Balance Beg. Of FY	Issues During Year	Paid During FY	Outstanding End of FY	Final Maturity Date	Bond/ Note
12/22/1998	5.75%		\$937,788.00		\$278,332.00	\$659,456.00	1/1/2014	bond

**Straight Leases:** Identify method of financial assistance utilized by project, other than tax exemptions claimed by project, by amount and type

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SIGNATURE: Victoria Smith

DATE: 2/6/2012

See accompanying notes to financial statements.

# CCIDA Project Annual Report 2011

## Schedule of Supplemental Information

<b>Project Name:</b>	The Mid-York Press, Inc.	<b>Contact Person:</b> Robert W. Tenney
<b>Address:</b>	Route 80 West (PO Box 733) Sherburne, NY 13460	<b>Phone:</b> 607-674-4491 <b>Fax:</b> 607-674-4088

<b>Project Code:</b>	8010802
<b>Taxable or Tax Exempt:</b>	Taxable

<b>Bond Project:</b>	<input checked="" type="checkbox"/>
<b>Lease Project:</b>	<input type="checkbox"/>

<b>Total Project / Lease Amount:</b> \$3,165,000	<b>Bond/Note Amount:</b> \$3,165,000	<b>New tax revenue if</b>
<b>Benefited Project Amount:</b> \$3,165,000	<b>Straight Lease End Date:</b>	<b>no exemptions:</b>

<b>Project Purpose:</b> 9
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### Exemptions (what taxes would be without assistance)

Sales Tax	Real Property Tax	Mortgage Recording	Total Exemptions	Total Exemptions (Net of 485-b Exemptions)
State: \$	County: \$	\$	\$	
Local: \$	Local: \$			\$
	School: \$			

### Payments in Lieu of Taxes (amount paid by you to taxing authorities)

County	City/Town/Village	School	Total PILOTS	Code
\$	\$	\$	\$	

### Jobs Created and Retained

# FTE Jobs Prior to IDA Status	Original Estimate of Jobs to be Created	Estimated average salary new jobs	Original Jobs To be Retained	Estimated average salary of retained jobs	Current FTE's	#FTE Construction Jobs Created (FY)
66	9	32,000.00	66	43,000.00	75	0

(FTE = full time equivalent, generally an employee or two or more PT employees who work more than 35 hours per week; base on actual positions, not factoring in employee turnover)

### Bonds and Notes Related to Project

Date of Issue	Interest Rate at Issuance	If variable applicable range	Balance Beg. Of FY	Issues During Year	Paid During FY	Outstanding End of FY	Final Maturity Date	Bond/ Note
5/1/2008	4.47%	4.47%	\$2,265,470.00	0	\$337,481.00	\$1,887,988.00	6/1/2016	Bond

**Straight Leases:** Identify method of financial assistance utilized by project, other than tax exemptions claimed by project, by amount and type

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**SIGNATURE:** Robert Tenney

**DATE:** 1/16/2012

See the accompanying notes to financial statements.