

**TOMPKINS COUNTY
INDUSTRIAL DEVELOPMENT AGENCY**

Ithaca, New York

FINANCIAL REPORT

For the Year Ended December 31, 2017



**TOMPKINS COUNTY
INDUSTRIAL DEVELOPMENT AGENCY**

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Tompkins County Industrial Development Agency
Ithaca, New York

Report on the Financial Statements

We have audited the accompanying financial statements of Tompkins County Industrial Development Agency (the Agency), a component unit of the County of Tompkins, New York, and its blended component unit, Tompkins County Development Corporation (the Corporation), as of and for the year ended December 31, 2017, 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.

Auditor's 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 financial position of Tompkins County Industrial Development Agency and its blended component unit, Tompkins County Development Corporation, as of December 31, 2017, 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 4-4c 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 opinions on the financial statements that collectively comprise the Agency's basic financial statements. The Schedules of Indebtedness and Projects are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedules of Indebtedness and Projects are the responsibility of management and were derived from and relate 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, Schedules of Indebtedness and Projects are 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 March 19, 2018, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Respectfully Submitted,

A handwritten signature in black ink that reads "Insero & Co. CPAs, LLP". The signature is written in a cursive, slightly slanted style.

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
March 19, 2018

TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017

The Tompkins County Industrial Development Agency (TCIDA) was created in 1971 to encourage economic growth in Tompkins County. The Tompkins County Development Corporation (TCDC) was created in 2010 for the same purpose and mission as the TCIDA and is considered a blended component unit of the TCIDA. Together, they make up the primary government, which for the purposes of the Management's Discussion and Analysis (MD&A), is referred to as the Agency.

TCIDA Mission: The Tompkins County Industrial Development Agency delivers economic incentives to business and industry to diversify and strengthen Tompkins County's tax base and enhance community vitality, by supporting job creation, business and industrial development, and community revitalization. We strive to develop the local economy in an organized, sustainable and environmentally beneficial manner.

TCDC Mission: To promote economic development initiatives in Tompkins County by offering tax-exempt bonding opportunities to not-for-profit organizations.

The following Management's Discussion and Analysis (MD&A) provides a comprehensive overview of the Agency's financial position as of December 31, 2017, and the result 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, 2017 by \$820,430 compared to \$612,530 at December 31, 2016.
- Total revenues in 2017 were \$572,016 compared to revenues of \$232,779 in 2016. In 2017 the Agency processed and closed on more projects than in 2016.
- Total expenses in 2017 were \$364,116 compared to expenses of \$553,194 in 2016. This stems from \$200,000 in grant expenses made by TCDC in 2016.

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 its blended component unit and the financial activity and results of its operations during the year. A description of these statements follows:

TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED DECEMBER 31, 2017

- **Statement of Net Position** presents information on all of 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.

Component Unit

The Agency reports the Tompkins County Development Corporation as a blended component unit. Although legally separate, this component unit is important based on the Agency's control of and fiscal relationship with the Corporation. Statements of the two entities are shown starting on page 5.

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

<i>Condensed Statement of Net Position</i>	<i>Total Agency</i>		<i>Total Dollar Change</i>
	<i>2016</i>	<i>2017</i>	<i>2016 - 2017</i>
<i>Cash</i>	\$ 576,384	\$ 836,405	\$ 260,021
<i>Administrative fees receivable within one year</i>	36,146	106,358	70,212
<i>Total Assets</i>	612,530	942,763	330,233
<i>Due to other governments</i>	-	122,333	122,333
<i>Total Liabilities</i>	-	122,333	122,333
<i>Unrestricted Net Position</i>	612,530	820,430	207,900
<i>Total Net Position</i>	\$ 612,530	\$ 820,430	\$ 207,900

Total assets increased 53.9% primarily based on increased fee revenue received in the current year, of which \$106,358 was recorded in administrative fees receivable. Total liabilities increased due to pass through funds of mortgage recording tax received by the Corporation resulting from the Ithacare bonding not paid until subsequent to year end.

**TOMPKINS COUNTY
INDUSTRIAL DEVELOPMENT AGENCY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

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

Figure 2

<i>Changes in Net Position</i>	<i>Total Agency</i>		<i>Total Dollar Change</i>
	<i>2016</i>	<i>2017</i>	<i>2016 - 2017</i>
<i>Operating Revenues:</i>			
<i>Fees</i>	\$ 232,277	\$ 566,284	\$ 334,007
<i>Refund of prior years expense</i>		5,360	5,360
<i>Total Operating Revenues</i>	232,277	571,644	339,367
<i>Non-operating Revenues:</i>			
<i>Interest and earnings</i>	502	372	(130)
<i>Total Non-Operating Revenues</i>	502	372	(130)
<i>Operating Expenses:</i>			
<i>Contractual expenses</i>	353,194	364,116	10,922
<i>Total Operating Expenses</i>	353,194	364,116	10,922
<i>Non-operating Expenses:</i>			
<i>Grant expense</i>	200,000		(200,000)
<i>Total Non-Operating Expenses</i>	200,000	-	(200,000)
<i>(DECREASE) INCREASE IN NET POSITION</i>	\$ (320,415)	\$ 207,900	\$ 528,315

Total revenues for the Agency's activities increased by 145.7%. As noted in the financial highlights, the increase in revenues is related to an increase in projects processed and closed during 2017.

Total expenses for the Agency decreased by 34.2%. The decrease in expenses is based on a \$200,000 grant made by TCDC to the Tompkins County Area Development, Inc. revolving loan fund in 2016.

FACTORS BEARING ON THE AGENCY'S FUTURE

- The Agency's capacity to support economic development activities has been challenged by the economic cycle. The Agency has committed \$343,747 to Tompkins County Area Development (TCAD) for administrative and economic development services to the County in 2018. The Agency committed to one third of TCAD's funding in 2014 to 2018 to provide a sustainable funding model for countywide economic development activities. It is anticipated this practice will continue for another five year term (2019-2023). The Agency may wish to encumber funds for this purpose to ensure adequate support for economic development should project deal flow diminish.

***TOMPKINS COUNTY
INDUSTRIAL DEVELOPMENT AGENCY***

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2017**

- Tompkins County established a complementary economic development entity, Tompkins County Development Corporation, which has the authority to finance public facilities for not-for-profit organizations. Fees generated by the Development Corporation will supplement economic development activities. The Development Corporation has not committed any financial support to Tompkins County Area Development for economic development in 2018.
- The Development Corporation's authority to finance certain public facilities might be exposed to legislative curtailment in the future, as the NYS Dormitory Authority provides similar services. Currently, the NYS Dormitory Authority aggressively pursues deals throughout the state and this has diminished TCDC deal flow.

CONTACTING THE DISTRICT'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 needed additional financial information, contact the Tompkins County Industrial Development Agency, at 401 E. MLK Jr. Street/401 E. State Street, Suite 402B, Ithaca, New York 14850.

**TOMPKINS COUNTY
INDUSTRIAL DEVELOPMENT AGENCY**

**STATEMENT OF NET POSITION
DECEMBER 31, 2017**

ASSETS	Industrial Development Agency	Development Corporation	Total
	<u> </u>	<u> </u>	<u> </u>
Current Assets			
Cash and cash equivalents	\$ 328,638	\$ 507,767	\$ 836,405
Administrative fees receivable within one year	51,408	54,950	106,358
	<u> </u>	<u> </u>	<u> </u>
Total Assets	\$ 380,046	\$ 562,717	\$ 942,763
	<u> </u>	<u> </u>	<u> </u>
LIABILITIES AND NET POSITION			
Current Liabilities			
Due to other governments	\$ -	\$ 122,333	\$ 122,333
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	-	122,333	122,333
Unrestricted net position	\$ 380,046	\$ 440,384	\$ 820,430
	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Net Position	\$ 380,046	\$ 562,717	\$ 942,763
	<u> </u>	<u> </u>	<u> </u>

See Independent Auditor's Report and Notes to Financial Statements.

**TOMPKINS COUNTY
INDUSTRIAL DEVELOPMENT AGENCY**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2017**

	<u>Industrial Development Agency</u>	<u>Development Corporation</u>	<u>Total</u>
Operating Revenues			
Fees	\$ 391,679	\$ 174,605	\$ 566,284
Refund of prior years expense	5,360	-	5,360
Total Operating Revenues	<u>397,039</u>	<u>174,605</u>	<u>571,644</u>
Operating Expenses			
Contribution to Tompkins County Area Development	314,000	-	314,000
Professional and administrative expenses	50,116	-	50,116
Total Operating Expenses	<u>364,116</u>	<u>-</u>	<u>364,116</u>
Operating Gain	<u>32,923</u>	<u>174,605</u>	<u>207,528</u>
Non-Operating Revenues (Expenses)			
Interest and earnings	<u>159</u>	<u>213</u>	<u>372</u>
Total Non-Operating Revenues (Expenses)	<u>159</u>	<u>213</u>	<u>372</u>
Net Income	33,082	174,818	207,900
Unrestricted Net Position, January 1, 2017	<u>346,964</u>	<u>265,566</u>	<u>612,530</u>
Unrestricted Net Position, December 31, 2017	<u>\$ 380,046</u>	<u>\$ 440,384</u>	<u>\$ 820,430</u>

See Independent Auditor's Report and Notes to Financial Statements.

**TOMPKINS COUNTY
INDUSTRIAL DEVELOPMENT AGENCY**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017**

	Industrial Development Agency	Development Corporation	Total
	<u> </u>	<u> </u>	<u> </u>
Cash Flows from Operating Activities			
Cash received from providing services	\$ 381,777	\$ 241,988	\$ 623,765
Cash payments - Contractual expenses	<u>(364,116)</u>	<u>-</u>	<u>(364,116)</u>
Net Cash Provided by Operating Activities	<u>17,661</u>	<u>241,988</u>	<u>259,649</u>
Cash Flows from Non-Capital Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>
Cash Flows from Investing Activities			
Interest income received	<u>159</u>	<u>213</u>	<u>372</u>
Net Cash Provided by Investing Activities	<u>159</u>	<u>213</u>	<u>372</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	17,820	242,201	260,021
Cash and Cash Equivalents, January 1, 2017	<u>310,818</u>	<u>265,566</u>	<u>576,384</u>
Cash and Cash Equivalents, December 31, 2017	<u>\$ 328,638</u>	<u>\$ 507,767</u>	<u>\$ 836,405</u>
Reconciliation of operating gain to net cash provided by operating activities:			
Operating gain	\$ 32,923	\$ 174,605	\$ 207,528
Adjustments to reconcile operating gain to net cash provided by operating activities:			
(Increase) in administrative fees receivable	(15,262)	(54,950)	(70,212)
Increase in due to other governments	<u>-</u>	<u>122,333</u>	<u>122,333</u>
Net Cash Provided by Operating Activities	<u>\$ 17,661</u>	<u>\$ 241,988</u>	<u>\$ 259,649</u>

See Independent Auditor's Report and Notes to Financial Statements.

TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

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

The financial statements of Tompkins County Industrial Development Agency (the Agency) and its component unit have been prepared in conformity with generally accepted accounting principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing 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 Tompkins County Legislature under the provisions of Chapter 535 of the 1971 Laws of New York State for the purpose of encouraging economic growth in Tompkins County. The Agency is exempt from federal, state, and local income taxes. The Agency, although established by the Tompkins County Legislature, is a separate entity and operates independently from the County. The Agency is considered a component unit of the County.

All Governmental Activities and functions performed by the Agency are its direct responsibility.

The financial reporting entity consists of (a) the primary government which is the Tompkins 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 by GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units" and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34."

The decision to include a potential component unit in the Agency's reporting entity is based on several criteria set forth in GASB Statement No. 14, "The Financial Reporting Entity," as amended by GASB Statement No. 39, "Determining Whether Certain Organizations are Component Units," and GASB Statement No. 61, "The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14 and No. 34," including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following is included as a blended component unit:

- Tompkins County Development Corporation (the Corporation) - Similar to the Agency, the Corporation was formed, during 2010, for the purpose of encouraging economic growth in Tompkins County. Because New York State has legislated industrial development agencies can no longer serve not for profit entities, the Corporation serves that segment of the economy in Tompkins County.

TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2017

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

Basis of Accounting

The accounts of the Agency and Corporation are maintained on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned. Material revenues accrued include administrative fees. Expenses are recorded when the liability is incurred.

Cash and Cash Equivalents

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

Equity Classifications

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

- Restricted - 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. The Agency had no restricted resources at year-end.
- Unrestricted - Consists of all other resources that do not meet the definition of “restricted.”

Related Parties

Tompkins County Area Development, Inc. (TCAD) is a private, not-for-profit organization founded in 1964 that provides the Ithaca area with innovative services to strengthen the economy. The Vice President and Director of Economic Development Services of TCAD serves as the Administrative Director of the Agency. During the year ended December 31, 2017, two additional members of the TCAD Board of Directors served on the Board of Directors of the Tompkins County Industrial Development Agency.

Revenues

The Agency and Corporation first utilize restricted resources to finance qualifying activities.

***Note 2* Operating Revenues**

Operating revenues of the Agency and Corporation consist of administrative fees and refunds of prior year expenses. Interest and earnings are reported as non-operating revenues.

TOMPKINS COUNTY
INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 3 **Administrative Fees Receivable**

Administrative fees receivable at December 31, 2017 were \$106,358.

No provision has been made for uncollectible receivables as the Agency believes all receivables to be fully collectible.

Note 4 **Industrial Revenue Bond and Note Transactions**

Certain industrial development revenue bonds and notes issued by the Agency and Corporation are secured by property leased to companies and retired by lease payments. The bonds and notes are not obligations of the Agency, Corporation, or State. The Agency and Corporation do not record assets or liabilities resulting from completed bond and note issues in their accounts, because their primary function is to arrange financing between the borrowing companies and the bond and note holders, and funds arising therefrom are controlled by trustees or banks acting as fiscal agents. For providing this service, the Agency and Corporation receive bond administration fees from the borrowing companies. Such administrative fee income is recognized immediately upon issuance of bonds and notes. At December 31, 2017, the outstanding value of bonds and notes issued aggregated \$167,856,340 and \$186,867,170 for the Agency and Corporation, respectively.

Note 5 **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 Taxes (PILOT) agreements, wherein a company is required to make annual payments to the county, local municipalities, and school districts.

In 2017, \$3,643,752 was received in PILOT payments compared to the \$5,902,912 which would have been received if businesses paid the full amount of property taxes; for a total property tax abatement of \$2,259,160.

In addition to PILOTs above, \$1,074,938 of sales tax and \$233,336 of mortgage tax abatements were awarded.

TOMPKINS COUNTY
INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2017

Note 6 **Deposits and Investments**

State statutes govern the Agency's and Corporation's investment policies. In addition, the Agency and the Corporation each have their 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 and Corporation 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 and Corporation of \$344,669 and \$507,767, respectively, at December 31, 2017 are covered by FDIC insurance up to \$250,000. As of December 31, 2017, all deposits with financial institutions were either insured or collateralized with securities held by the pledging financial institution in the entities' name.

Note 7 **Related Party Transactions**

During 2017, the Agency paid TCAD \$314,000 for economic development and marketing services.

Note 8 **Commitments**

During the year ended December 31, 2017, the Board of Directors of the Agency passed a resolution authorizing a 2018 budgetary commitment to TCAD of \$343,747.

**TOMPKINS COUNTY
INDUSTRIAL DEVELOPMENT AGENCY**

**SCHEDULE OF INDEBTEDNESS
DECEMBER 31, 2017**

	<u>Month and Year</u>	<u>Current Interest Rate</u>	<u>Outstanding Beginning of Fiscal Year</u>	<u>Issued During Fiscal Year</u>	<u>Paid During Fiscal Year</u>	<u>Outstanding End of Fiscal Year</u>	<u>Final Maturity</u>
Cayuga Medical Center at Ithaca, Inc.	10/2003	BMA+.35%	\$ 2,600,000	\$	\$ 1,300,000	\$ 1,300,000	10/2018
CDP, Ithaca	12/2003	3%	13,150,000		660,000	12,490,000	3/2030
Community Recreational Center, Inc.	1/2002	5.50%	604,128		100,854	503,274	12/2021
Cornell Heat and Power	1/2008	2.0% - 5.0%	60,885,000		1,730,000	59,155,000	7/2037
Cornell University, Lake Source Cooling	Various	2.0% - 11.0%	34,045,000		1,800,000	32,245,000	7/2030
Family & Children's Family Service of Ithaca	1/2008	4.75%	2,013,571		86,374	1,927,197	2/2033
Ithaca Community Childcare Center	12/2008	5.4%	122,134		16,265	105,869	1/2029
Ithacare Center Service Company (Refinanced)	1/2008	Variable	12,085,000		12,085,000	-	2/2037
Transonic Systems	12/2010	3.60%	3,660,000		205,000	3,455,000	12/2030
Ithaca College	11/2004	Variable	23,075,000		955,000	22,120,000	7/2034
Ithaca College	9/2005	Variable	36,065,000		1,510,000	34,555,000	7/2026
TOTAL			\$ 188,304,833	\$ -	\$ 20,448,493	\$ 167,856,340	

See Independent Auditor's Report.

**TOMPKINS COUNTY
LOCAL DEVELOPMENT CORPORATION**

**SCHEDULE OF INDEBTEDNESS
DECEMBER 31, 2017**

	Month and Year	Current Interest Rate	Outstanding Beginning of Fiscal Year	Issued During Fiscal Year	Paid During Fiscal Year	Outstanding End of Fiscal Year	Final Maturity
Cayuga Medical Center at Ithaca, Inc.	8/2010	64.1% of LIBOR + 1.04%	\$ 7,860,000	\$	\$ 1,200,000	\$ 6,660,000	8/2022
Cayuga Medical Center at Ithaca, Inc.	4/2013	2.73%	21,376,312		1,053,540	20,322,772	4/2023
Ithaca College	4/2011	Fixed	23,495,000		23,495,000	-	7/2041
Ithaca College	9/2015	Fixed	41,420,000		3,360,000	38,060,000	7/2038
Ithaca College (Refinanced)	12/2017	Fixed	-	21,980,000		21,980,000	7/2041
Ithacare Center Service Company (Refinanced)	12/2018	3.02%	-	12,845,700		12,845,700	1/2043
Franziska Racker Center	10/2011	4.00%	1,890,136		149,741	1,740,395	6/2027
TC3 Foundation	1/2013	5.00%	38,180,000		1,005,000	37,175,000	12/2021
Kendal	11/2012	2.0%-4.5%	8,375,000		180,000	8,195,000	7/1/2042
Kendal	12/2014	4.0%-5.0%	31,720,000			31,720,000	7/1/2044
Kendal	12/2014	Variable	4,273,728	1,613,029	1,360,000	4,526,757	7/1/2025
The William George Agency	12/2015	3.80%	1,778,899		196,491	1,582,408	12/2031
The William George Agency	12/2016	3.10%	963,251	1,155,887	60,000	2,059,138	12/2031
TOTAL			\$ 181,332,326	\$ 37,594,616	\$ 32,059,772	\$ 186,867,170	

See Independent Auditor's Report.

TOMPKINS COUNTY INDUSTRIAL DEVELOPMENT AGENCY

SCHEDULE OF PROJECTS DECEMBER 31, 2017

Project Name	Exemption Period	2017 Exemption Type	Project Purpose
209-215 Dryden Assoc., LLC	2015-2066	STE/PILOT	Real Estate
318 South Albany Street, LLC. (Beach Tree Nursing Home)	2013-2024	PILOT	CCRC
330 Main Street Holdings (Incodema3D)	2017-2023	PILOT	Manufacturing
AES Cayuga (Heorot Power)	2009-2028	PILOT	Electric/Power Plant
Arrowhead Ventures	2013-2027	PIF	Real Estate
Blinders Property	2002-2017	PILOT	Manufacturing
Cargill, Inc.	2016-2018	STE	Wholesale Trade
Cascade Plaza	2005-2025	PILOT/MRT	Services
Cayuga Green Parcel A	2009-2018	PILOT	Real Estate
Cayuga Green Parcel E	2009-2018	PILOT	Real Estate
Cayuga Green Theatre Parcel	2009-2018	PILOT	Real Estate
Cayuga Green Job Total			
Cayuga Ridge Nursing Home	2017-2019	STE	CCRC
City Centre	2017-2019	STE/MRT	Real Estate
College Circle Association	2003-2043	PILOT	Real Estate
Cornell University - 35 Thornwood	2006-2021	PILOT	Real Estate
Dairy One	2015-2022	PILOT	Services
DRS NY Newfield I	2017-2019	STE	Electric/Solar
DRS NY Newfield II	2017-2019	STE	Electric/Solar
DRS NY Newfield III	2017-2019	STE	Electric/Solar
Enfield Solar	2017-2019	STE	Electric/Solar
Harolds Holding	2017-2019	STE/MRT	Real Estate
Hilton Canopy	2015-2018	STE	Services
Hotel Ithaca (Holiday Inn/Lenroc)	2016-2019	STE	Services
Hotel Ithaca (Marriott)	2013-2026	STE/PILOT	Services
Ital Thai	2012-2022	PILOT	Real Estate
Ithaca Beer	2014-2023	PILOT	Manufacturing
Ithacare (Longview)	2010-2020	MRT/PILOT	CCRC
Lansing Market Realty	2012-2021	PILOT	Services
Nine Brown Road (Macom)	2007-2025	PILOT	Manufacturing
Nineteen Brown Road (Quintiles)	2007-2025	PILOT	Manufacturing
Prudence Properties of Ithaca	2007-2017	PILOT	Wholesale Trade
Simeon's on the Commons	2015-2017	STE	Services
South Hill Business Campus	2005-2018	STE	Real Estate
South Hill Business Campus Power & Heat	2013-2019	STE	Real Estate
Ten Brown Road	2002-2017	PILOT	Real Estate
Therm, Inc.	2016-2018	STE	Manufacturing
Thirty Six Thornwood	2002-2017	PILOT	Real Estate
Tompkins Trust HQ	2015-2019	STE	Finance
Transonic Systems	2011-2031	PILOT	Manufacturing
Twenty Thornwood (BinOptics/Macom)	2017-2023	PILOT	Real Estate

Total

STE = Sales Tax Exemption; MRT = Mortgage Recording Tax
PIF = PILOT Incremental Financing; PILOT = Payment in Lieu of Taxes

See Independent Auditor's Report.

Sales Tax Cap	2017 Sales Tax Exemptions	2017 Mortgage Tax Exemptions	2017 Payments in Lieu of Taxes	2017 Property Taxes Abated	2017 Total Exemptions	Existing Retained Jobs	Current Employment 12/31/2017
\$ 2,016,000	\$	\$	\$ 39,473	\$ 138,587	\$ 138,587	N/A	N/A
			21,803	87,213	87,213	101	117
			27,994	21,635	21,635	9	36
			1,728,533	-	-	94	48
			21,803	87,213	87,213	N/A	N/A
			50,314	2,918	2,918	20	30
640,000					-	N/A	N/A
		5,208	517,827	459,685	464,893	230	319
			62,466	23,657	23,657		
			250,646	94,572	94,572		
			38,192	14,499	14,499		
					-	-	69
738,720					-	N/A	N/A
1,165,000	58,533	102,750			161,283	N/A	N/A
			285,180	596,137	596,137	N/A	N/A
			84,771	25,118	25,118	31	18
			29,842	59,863	59,863	255	233
252,103					-	N/A	N/A
252,103					-	N/A	N/A
252,103					-	N/A	N/A
261,262					-	N/A	N/A
1,400,000	17,494	84,600			102,094	N/A	N/A
1,052,928	28,361				28,361	N/A	N/A
852,000	349,929				349,929	N/A	N/A
1,151,200	16,165		36,339	72,677	88,842	-	80
			24,601	15,372	15,372	-	25
			31,968	73,896	73,896	14	56
		40,778	1	375,155	415,934	-	81
			11,725	19,965	19,965	-	31
			28,706	13,156	13,156	-	-
			50,292	63,335	63,335	125	127
			32,290	1,520	1,520	15	16
27,080					-	N/A	N/A
80,000					-	N/A	N/A
110,640					-	N/A	N/A
			101,517	6,428	6,428	109	114
100,000					-	N/A	N/A
			100,190	6,559	6,559	35	98
2,112,000	604,456				604,456	N/A	N/A
					-	136	90
			67,279		-	91	98
\$ 12,463,139	\$ 1,074,938	\$ 233,336	\$ 3,643,752	\$ 2,259,160	\$ 3,567,435	1,265	1,686

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

Board of Directors
Tompkins County Industrial Development Agency
Ithaca, 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 Tompkins County Industrial Development Agency (the Agency), and its blended component unit, Tompkins County Development Corporation (the Corporation), a component unit of the County of Tompkins, New York, which comprise the Statement of Net Position as of December 31, 2017, and the related Statements of Activities and Cash Flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 19, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency’s and the Corporation’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 and the Corporation'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 or the Corporation'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,

A handwritten signature in black ink that reads "Insero & Co. CPAs, LLP". The signature is written in a cursive, slightly slanted style.

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
March 19, 2018