

**FULTON COUNTY
INDUSTRIAL
DEVELOPMENT AGENCY**

2019 ANNUAL REPORT

MARCH 3, 2020

PREPARED BY:

**FULTON COUNTY INDUSTRIAL DEVELOPMENT
AGENCY**

I. GENERAL OPERATIONS:

A. Background:

The Fulton County Industrial Development Agency (IDA) was created in 1970 by an act of the New York State Legislature as a corporate governmental agency constituting a public benefit corporation. The purpose of an Industrial Development Agency (IDA) is:

“to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing industrial, manufacturing, warehousing, commercial and research facilities and thereby advance the job opportunities, general prosperity and economic welfare of the people of the state of New York and to improve their standard of living.”

B. Mission Statement:

The IDA’s Mission Statement is as follows:

“The IDA’s mission is to create and promote economic growth and prosperity for both residents and entrepreneurs in Fulton County. The IDA’s role in Fulton County’s Economic Development Program is to develop and maintain an inventory of shovel-ready sites for new and expanding businesses, offer financial incentives, as may be required, to encourage the creation of new and retention of existing jobs and expand the County’s tax base. In doing so, the IDA strives to make Fulton County a desirable place to live and do business.”

C. Tax Exemptions:

The New York State Legislature authorizes IDAs to offer three (3) types of tax exemptions to stimulate private sector investment and create jobs:

1. Property Tax:

New York State Law designates IDA's as tax exempt entities. When an IDA holds title to real property, New York State Law says all improvements on the property are exempt from real property taxes. However, the land that the improvements are located on remain taxable.

However, for projects the IDA is involved with, the IDA requires companies to enter into a Payment In Lieu Of Tax Agreement (PILOT). A PILOT is a contractual agreement between the IDA and a company that states that even though the project is tax exempt due to IDA ownership, the company shall make PILOT payments to local taxing jurisdictions in lieu of paying taxes. PILOT Agreements stipulate that companies make PILOT payments to local taxing jurisdictions that are based upon a percentage of the property tax that would otherwise be due on the property was not owned by the IDA. PILOTs are developed in accordance with the IDA’s Uniform Tax Exemption Policy. Once a PILOT is executed, the

company makes the required annual PILOT payments to local taxing jurisdictions in accordance with the PILOT. It is the responsibility of the local taxing jurisdictions to issue annual invoices under a PILOT to the company and to ensure that payments are received in a timely manner.

2. Sales Tax:

IDA's can offer companies an exemption from New York State and local sales taxes on eligible construction materials and equipment for a project. The exemption is generally limited to the construction, reconstruction or installation period and cannot cover ongoing operational costs.

3. Mortgage Recording Tax:

If a project involves a mortgage and that mortgage needs to be filed in the County Clerk's Office, a company that receives IDA assistance can receive an exemption from New York State's mortgage recording tax which is currently 1% in Fulton County.

D. Financing:

IDA's can also provide various forms of bond financing for a project. Financial institutions, such as banks, insurance companies or private individuals purchase these bonds as an investment similar to an individual purchasing a U.S. Government Savings Bond. By purchasing a bond, a private investor lends its funds to a business. The business commits to repay the principal and interest, if the bonds are taxable, to the investor. The business and the financial institution, independent of the IDA, negotiate the terms, interest rate and other conditions of the transaction. The IDA acts as an intermediary for this private transaction. There are no IDA or public funds involved in an IDA bond transaction.

The IDA does not have a loan fund or pool of money to use to help finance projects. The financing referred to here is private funds coming from banks, financial institutions or private investors.

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E. Payment in Lieu of Tax Agreements (PILOTS):

1. **Background:**

The IDA provides Payment in Lieu of Tax Agreements to eligible projects in accordance with its Uniform Tax Exemption Policy (UTEP). The IDA's current UTEP states that it will provide PILOT's modeled after Section 485-b of NYS's Real Property Tax Law. Section 485-b states that a company can receive a 50% exemption on the assessed valuation of the improvements on the property in year 1. The exemption then decreases 5% a year for 10 years. After ten (10) years, the company would make a PILOT payment equivalent to 100% of the amount it would be paying in real property taxes if it owned the property. During that 10-year period, the company would be making "PILOT payments" to local taxing jurisdictions and not "property tax payments." Once the Lease and PILOT Agreement the IDA has with a company expires, the property then returns to the tax rolls. At that time, the company starts making "property tax payments" to local taxing jurisdictions and no longer be making "PILOT payments."

2. **IDA Projects with PILOT's:**

The following IDA Projects have active PILOT's as of December 31, 2019:

Owner	Lessee	Address
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IDA	Johnstown Renewables	Enterprise Drive, Johnstown

F. IDA Projects:

The following is a list of all active IDA projects as of December 31, 2019:

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IDA	YMCA	213 Harrison Street, Gloversville, NY
IDA	Johnstown Renewables	Enterprise Drive, Johnstown
IDA	Century Linen	125 Balzano Drive, Gloversville

II. SUMMARY OF 2019 ACTIVITIES:

The IDA Board met twelve (12) times in 2019. The following is a summary of the key activities addressed by the IDA Board in 2019:

1. TRYON TECHNOLOGY PARK PROJECT:

a. Vireo Health:

The IDA Board approved a revised Site Plan for Vireo Health's facility at Tryon. The primary change was to increase the total sf of new buildings Vireo desires to build on its site. Vireo originally planned on building 202,000+/- sf of new building space. It's now planning on building over 267,000 sf.

b. New Electric System:

When Tryon was run by the State of New York, the electrical service at Tryon was owned by New York State. New York State owned the electrical system to get the most cost effective electricity rates from National Grid. When the State transferred title of Tryon over to the IDA in 2014, the IDA took ownership of the existing electrical system. Since that time, the IDA has been working with National Grid to get National Grid to install a new underground electric service around the perimeter of County Road 117. Once National Grid installs this new service, the IDA could discontinue its existing electrical service and get out of that business. At that time, the new electric service would be owned, operated and maintained by National Grid.

In 2019, National Grid revised the design for a new electrical system. The revised design would bring a new overhead line into Tryon from CR107 along an old secondary access road to CR117. Once this overhead line reached CR117, the line would then go underground. The new line would run along CR117 and service the existing wastewater pump station, water booster station, elevated tank, Vireo Health and Building 60.

Fulton County paid National Grid the funds National Grid required in order for National Grid to proceed. National Grid decided to start work on the project in the spring of 2020.

c. Lands on South Side of CR107:

The IDA Board owns 26+/- acres on the south side of CR107 across from the entrance to the Tryon Technology Park. In 2019, the IDA Board decided to pursue listing this property for sale. It had an appraisal conducted on the property. The IDA Board met with and interviewed two (2) real estate firms. The IDA Board hired Coldwell Banker Arlene M. Sitterly to list this property with. The property was listed in late 2019 and several offers were received by the Board late in 2019.

d. County Road 107/158 Intersection:

The Site Plan for the Tryon Technology Park identified reconstructing this intersection into a “T” intersection. In 2018, Fulton County’s Department of Highways and Facilities began planning and design work for this project. In 2019, IDA Board agreed to provide Fulton County with approximately 2.0+/- acres of land to complete the reconstruction of this intersection. This project was completed by the County in 2019.

e. Regional Business Training and Incubator Center:

The IDA had originally planned to repurpose all of Building 3 into the Regional Business Training and Incubator Center. The IDA, in conjunction with Fulton County, sought approval through the Northern Borders Regional Commission (NBRC) to repurpose the grant it received for the Regional Business Training and Incubator Center. The request asks the NBRC to redirect the monies to having just the F-wing of Building 3 repurposed into the Regional Business Training and Incubator Center. The intent would be to have a new heating, ventilation, air conditioning and plumbing systems installed just for that building. The NBRC approved this request. C.T. Male prepared design plans for this work. The project, however, was never put out to bid due to the cost of the new electric system for the Tryon Technology Park. In 2019, the NBRC withdrew its grant for this project. The IDA reimbursed Fulton County \$18,444.25, which was the IDA’s share in the overall cost of hiring C.T. Male.

f. Marketing:

The IDA worked with the Fulton County Center for Regional Growth in submitting proposals to prospective companies looking for a site. Tryon was offered to several prospective companies in 2019.

g. Other:

In 2019, the IDA Board approved the following items for Tryon:

1. Hired Evergreen Landscaping to cut grass.
2. Leased lands to R & R Farms, Inc. to grow crops.

2. **CENTURY LINEN PROJECT:**

In 2018, the IDA learned that Century Linen had scrapped its plans to relocate its business into a vacant building at 123 Union Avenue Extension in the City of Johnstown. Century Linen was advised by National Grid that National Grid’s existing gas line could not supply the volume of gas at the pressures Century Linen needed. The cost to upgrade National Grid’s line was too expensive for Century Linen.

In 2019, the IDA approved an Application from Century Linen to proceed with a project to renovate an existing building at 125 Balzano Drive in Gloversville’s Crossroads Industrial Park for its laundering business. The IDA approved a request for sales tax exemptions for this project. Century Linen completed the renovations in 2019 and conducted an open house in November. The project resulted in the retention of jobs and the creation of 32 new jobs with a total private investment of over \$6 million.

3. **REGIONAL BUSINESS PARK PROJECT:**

Work on the Regional Business Park Project continued in 2019. Under New York State's Municipal Annexation Law, a SEQR review must be conducted on a petition for annexation before the affected municipalities can vote on whether to approve or disapprove the proposed annexation. In 2017, the SEQR review process continued on this proposed annexation. As Lead Agency, the Town of Mohawk issued a Positive Declaration requiring the preparation of a Draft Environmental Impact Statement (DEIS). The Town of Mohawk declared Fulton County as a Project Sponsor and required the County to pay for and prepare the DEIS. Fulton County agreed to do so in partnership with Montgomery County and the City of Johnstown. Sterling Environmental was hired to prepare the DEIS. The DEIS was completed in November, 2018 and sent to the Town of Mohawk to review for completeness. The Town did not accept the DEIS as complete and submitted 13 pages of written comments back to Fulton County.

4. **JOHNSTOWN RENEWABLES PROJECT:**

In 2016, Johnstown Renewables (JR) filed a Project Application with the IDA for a project in the Johnstown Industrial Park. The project involved building an 11,900+/- sf building on a 5.2 acre parcel of land in which ethyl alcohol would be produced from liquid whey from the adjacent FAGE yogurt manufacturing plant. The project was projected to involve the investment of \$16+/- million and the creation of 27 jobs. The IDA Board executed a 10-year Lease Agreement with JR in 2017.

Construction work on the project began in 2017. In early 2018, the IDA received a letter from CRE, LLC advising of the passing of Christian Eisenbeiss. Mr. Eisenbeiss was the sole member of CRE, LLC and the managing member of JR. In 2018, the IDA had several contacts with JR and their attorneys. In 2019, JR requested that the project completion date identified in their Lease Agreement with the IDA be extended through December 31, 2019. JR advised that they were seeking to enter into a new joint venture or find another user for their facility. JR advised that several entities had toured the facility and expressed an interest in it. The IDA Board authorized its Chairman to execute an Amendment to JR's lease to extend the project completion date through December 31, 2019.

In October 2019, the IDA was advised by JR that they were going to be auctioning off equipment and machinery that was stored onsite. At that time, the IDA Board authorized starting the process to recapture the sale tax benefits JR realized during the project because JR had not created the 27+/- new jobs it said it would create. The IDA Board also authorized its Chairman to execute an Escrow Agreement with JR whereby all proceeds from that auction would be held by an Escrow Agent to eventually be used to repay the sales tax benefits JR obtained as part of this project. The IDA Board will continue its due diligence to ensure that JR repays New York State the estimated \$960,000 of sales tax benefits it received for this project.

5. **FULTON COUNTY'S ECONOMIC DEVELOPMENT STRATEGY:**

Fulton County's Development Strategy recommended the creation of three (3) Primary Development Areas were identified where new housing could be developed. One of these Primary Development Areas is the Tryon Development Area. This Development Area contains approximately 35+/- acres and is located at the northern end of the Tryon property owned by the IDA. With respect to the Tryon Development Area, the Development Strategy recommended that:

- a. Fulton County should prepare a one-page "sell sheet" that focuses specifically on the market demand for executive-level housing. The sheet should include information on growth in households with incomes over \$100,000 and the lack of executive level housing in the County.
- b. Fulton County should market the residential plan in conjunction with the Technology Park as "Tryon Technology Park and Village." The vision for an upscale residential village adjacent to the Technology Park can help support tenant recruitment efforts for the Park. This, in turn, will help induce demand for housing in the village as new businesses move into the Park. The County should enhance the Tryon website to help promote and market the vision for Tryon as a business park and residential community. Erie Station Village and Erie Station Business Park in Henrietta, New York is a good example of this approach.
- c. Fulton County should focus on neighborhood-serving retail like a coffee house, bar or restaurant. Potential uses should be carefully designed to be contemporary and fresh to complement the housing in that development area that should be targeted to professionals and executives. In the near term, it is more feasible to recruit a small café or similar business to locate on the Tryon Campus. As housing is built, new retail development may become feasible in the "village" area.
- d. Fulton County should consider partnering with a developer on a "Phase I" project. The type of housing envisioned in Tryon Village represents a largely unproven market, which may deter developers. The County should be prepared to engage in a partnership to entice a developer, such as putting in a small portion of the new road. The purpose of this will be to demonstrate a market for the types of homes included in the vision, which will attract additional private investment. Alternatively, it may demonstrate a need to shift the vision for Tryon Village, such as towards more workforce-level housing.

In 2019, the IDA Board:

- a. Hired Environmental Design Partnership to prepare a Desktop Environmental Assessment of the Tryon Development Area. This Assessment identified potential impediments to building out the Tryon Development Area. This Assessment will help in the marketing of the site to potential developers.
- b. Hired Elan Planning and Design to prepare a sell sheet to help market the Tryon Development Area.

6. **IDA WEBSITE:**

In 2019, the Authority Budget Office (ABO) issued new policy guidance regarding IDA websites. The IDA management reviewed the IDA's website contents and identified a series of deficiencies in comparison to these new policy guidelines. The IDA Board hired Emery Designs to make the necessary changes to the IDA website to bring it into compliance with the ABO's new policy guidance. This work was completed in 2019.

The IDA Board also hired Emery Designs later in the year to undertake a significant updating and revision to the IDA's website. This work began in late 2019 and will be completed in 2020.

7. **AUDIT:**

The Audit of the 2018 IDA's Financial Statements contained a recommendation that the IDA Board prepare monthly reconciliations of its bank accounts. In response to that recommendation, the IDA Board commenced a process in 2019 to have an IDA Board member conduct a monthly review of all IDA bank statements and to sign off on a reconciliation form.

8. **BOARD TRAINING:**

One of the comments made on the 2018 IDA Questionnaire was a desire to have more Board training conducted. Commencing in early 2019, the Executive Director began incorporating Board Training into monthly IDA Agendas. This training was conducted on numerous occasions during 2019 and will continue in the years ahead.

9. **PALATINE DAIRY:**

The IDA Board received a Project Application from Palatine Dairy to renovate the former Spray 9 building on North Comrie Avenue in the City of Johnstown into a facility that will be used for the manufacturing of dairy products, retail store and restaurant. Palatine Dairy subsequently withdrew its application and the IDA Board took no further action. The project, however, has moved forward.

10. **EMINENT DOMAIN:**

In 2019, the Fulton County Board of Supervisors asked the IDA Board to commence an Eminent Domain action to acquire lands owned by the late Robert Bowe on Hales Mills Road Extension in the Town of Johnstown. This action was taken after Mr. Bowe listed his property for sale and Fulton County tried to negotiate the purchase of the property from Mr. Bowe. The Board of Supervisors desired to gain control of key lands comprising the Hales Mills Development Area identified in the County's Development Strategy. The IDA Board agreed to proceed with the Board of Supervisors' request. The IDA Board, in June, conducted a public hearing as required by Eminent Domain Procedure Law (EDPL). Numerous people attended the public hearing to express their opposition to acquiring Mr. Bowe's land by Eminent Domain. Shortly after that public

hearing, the Fulton County Board of Supervisors passed a Resolution directing the IDA to stop all work on the Eminent Domain action. The IDA Board subsequently agreed to stop the Eminent Domain action.

11. **VIDEO STREAMING:**

In 2019, the IDA Board learned that the State Legislature will, commencing in 2020, be mandating that all IDA's live video stream IDA meetings and public hearings. The IDA Board discussed what it may take to comply with this new State mandate. The IDA Board will be looking to purchase the necessary equipment and spend the necessary funds in 2020 to comply with this new State mandate.

12. **REQUEST FROM NYS SENATE'S INVESTIGATION AND GOVERNMENT OPERATIONS COMMITTEE:**

In 2019, the IDA received an extensive request for information from the New York State Senate's Investigation and Government Operations Committee. IDA management spent significant time and resources to pull together answers to the myriad of questions asked by the Committee. The IDA Board reviewed the responses prepared by IDA staff and authorized filing them with the Committee. No response was ever received back from the Committee regarding the information submitted by the IDA.

13. **OTHER:**

In 2019, the IDA Board also took the following additional actions:

- a. The IDA renewed its Gold Membership with the Fulton County Center for Regional Growth.
- b. The IDA adopted a revised Uniform Tax Exemption Policy.
- c. The IDA Board adopted a 2020 Budget.
- d. IDA Board member George Doherty resigned.
- e. The IDA Board authorized investing funds into a Certificate of Deposit (CD).
- f. The IDA Board rented space at Tryon to Don Brown's Bus to store buses.

The IDA Board appreciates the strong partnership it has with the Fulton County Board of Supervisors and looks forward to continuing that partnership.

SCHEDULE 1

**2019 AUDIT OF FINANCIAL
STATEMENTS**

**FULTON COUNTY
INDUSTRIAL DEVELOPMENT AGENCY**

BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

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INDEPENDENT AUDITORS' REPORT

To the Chairperson and Board of the
Fulton County Industrial Development Agency
Johnstown, New York

Report on the Financial Statements

We have audited the accompanying basic financial statements of the Fulton County Industrial Development Agency, a public benefit corporation, a component unit of the County of Fulton, New York, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these basic 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 basic financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Agency's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Fulton County Industrial Development Agency, as of December 31, 2019, and the respective changes in financial position and, where applicable, 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 3 through 12 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 Fulton County Industrial Development Agency's basic financial statements. The supplemental information on pages 22 through 25 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental information on pages 22 through 25 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 3, 2020, 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 this 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.

WEST & COMPANY CPAs PC

Gloversville, New York
March 3, 2020

FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2019

The following is a narrative overview and analysis of the financial activities of Fulton County Industrial Development Agency (IDA or Agency) for the fiscal year ended December 31, 2019. This discussion is intended to serve as an introduction to the Agency's basic financial statements, which immediately follow this section. The basic financial statements have the following components: (1) management's discussion and analysis (MD&A), (2) Agency-wide financial statements, (3) notes to the financial statements and (4) supplemental schedules.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts: MD&A (this section), the basic financial statements and supplementary information. The basic financial statements include two statements that are Agency-wide financial statements that provide both short-term and long-term information about the Agency's overall financial status.

Agency-Wide Statements

The Agency-wide statements report information about the Agency as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the Agency's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two Agency-wide statements report the Agency's net position and how it has changed. Net position – the difference between the Agency's assets and liabilities – is one way to measure the Agency's financial health or position.

- Over time, increases or decreases in the Agency's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the Agency's overall health, you need to consider additional nonfinancial factors such as changes in the New York State government, labor forces and land availability.

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1. TRYON TECHNOLOGY PARK PROJECT:

a. Vireo Health:

The IDA Board approved a revised Site Plan for Vireo Health's facility at Tryon. The primary change was to increase the total square feet of new buildings Vireo desires to build on its site. Vireo originally planned on building 202,000+/- square feet of new building space. It's now planning on building over 267,000 square feet.

b. New Electric System:

When Tryon was run by the State of New York, the electrical service at Tryon was owned by New York State. New York State owned the electrical system to get the most cost effective electricity rates from National Grid. When the State transferred title of Tryon over to the IDA in 2014, the IDA took ownership of the existing electrical system. Since that time, the IDA has been working with National Grid to get them to install a new underground electric service around the perimeter of County Road 117. Once National Grid installs this new service, the IDA could discontinue its existing electrical service. At that time, the new electric service would be owned, operated and maintained by National Grid.

In 2019, National Grid revised the design for a new electrical system. The revised design would bring a new overhead line into Tryon from County Road 107 along an old secondary access road to County Road 117. Once this overhead line reached County Road 117, the line would then go underground. The new line would run along County Road 117 and service the existing wastewater pump station, water booster station, elevated tank, Vireo Health and Building 60.

Fulton County paid National Grid the funds they required in order for them to proceed. National Grid decided to start work on the project in the spring of 2020.

c. Lands on South Side of County Road 107:

The IDA Board owns 26+/- acres on the south side of County Road 107 across from the entrance to the Tryon Technology Park. In 2019, the IDA Board decided to pursue listing this property for sale. It had an appraisal conducted on the property. The IDA Board met with and interviewed two (2) real estate firms. The IDA Board hired Coldwell Banker Arlene M. Sitterly to list this property with. The property was listed in late 2019 and several offers were received by the Board late in 2019.

d. County Road 107/158 Intersection:

The Site Plan for the Tryon Technology Park identified reconstructing this intersection into a "T" intersection. In 2018, Fulton County's Department of Highways and Facilities began planning and design work for this project. In 2019, the IDA Board agreed to provide Fulton County with approximately 2.0+/- acres of land to complete the reconstruction of this intersection. This project was completed by the County in 2019.

e. Regional Business Training and Incubator Center:

The IDA had originally planned to repurpose all of Building 3 into the Regional Business Training and Incubator Center. The IDA, in conjunction with Fulton County, sought approval through the Northern Borders Regional Commission (NBRC) to repurpose the grant it received for the Regional Business Training and Incubator Center. The request asks the NBRC to redirect the monies to having just the F-wing of Building 3 repurposed into the Regional Business Training and Incubator Center. The intent would be to have a new heating, ventilation, air conditioning and plumbing systems installed just for that building. The NBRC approved this request. C.T. Male prepared design plans for this work. The project, however, was never put out to bid due to the cost of the new electric system for the Tryon Technology Park. In 2019, the NBRC withdrew its grant for this project. The IDA reimbursed Fulton County \$18,444.25, which was the IDA's share in the overall cost of hiring C.T. Male.

f. Marketing:

The IDA worked with the Fulton County Center for Regional Growth in submitting proposals to prospective companies looking for a site. Tryon was offered to several prospective companies in 2019.

g. Other:

In 2019, the IDA Board approved the following items for Tryon:

1. Hired Evergreen Landscaping to cut grass.
2. Leased lands to R & R Farms, Inc. to grow crops.

2. CENTURY LINEN PROJECT:

In 2018, the IDA learned that Century Linen had scrapped its plans to relocate its business into a vacant building at 123 Union Avenue Extension in the City of Johnstown. Century Linen was advised by National Grid that National Grid's existing gas line could not supply the volume of gas at the pressures Century Linen needed. The cost to upgrade National Grid's line was too expensive for Century Linen.

In 2019, the IDA approved an application from Century Linen to proceed with a project to renovate an existing building at 125 Balzano Drive in Gloversville's Crossroads Industrial Park for its laundering business. The IDA approved a request for sales tax exemptions for this project. Century Linen completed the renovations in 2019 and conducted an open house in November. The project resulted in the retention of jobs and the creation of 32 new jobs with a total private investment of over \$6 million.

3. REGIONAL BUSINESS PARK PROJECT:

Work on the Regional Business Park Project continued in 2019. Under New York State's Municipal Annexation Law, a SEQR review must be conducted on a petition for annexation before the affected municipalities can vote on whether to approve or disapprove the proposed annexation. In 2017, the SEQR review process continued on this proposed annexation. As Lead Agency, the Town of Mohawk issued a Positive Declaration requiring the preparation of a Draft Environmental Impact Statement (DEIS). The Town of Mohawk declared Fulton County as a Project Sponsor and required the County to pay for and prepare the DEIS. Fulton County agreed to do so in partnership with Montgomery County and the City of Johnstown. Sterling Environmental was hired to prepare the DEIS. The DEIS was completed in November, 2018 and sent to the Town of Mohawk to review for completeness. The Town did not accept the DEIS as complete and submitted 13 pages of written comments back to Fulton County.

4. JOHNSTOWN RENEWABLES PROJECT:

In 2016, Johnstown Renewables (JR) filed a Project Application with the IDA for a project in the Johnstown Industrial Park. The project involved building an 11,900+/- square foot building on a 5.2 acre parcel of land in which ethyl alcohol would be produced from liquid whey from the adjacent FAGE yogurt manufacturing plant. The project was projected to involve the investment of \$16+/- million and the creation of 27 jobs. The IDA Board executed a 10-year Lease Agreement with JR in 2017.

Construction work on the project began in 2017. In early 2018, the IDA received a letter from CRE, LLC advising of the passing of Christian Eisenbeiss. Mr. Eisenbeiss was the sole member of CRE, LLC and the managing member of JR. In 2018, the IDA had several contacts with JR and their attorneys. In 2019, JR requested that the project completion date identified in their Lease Agreement with the IDA be extended through December 31, 2019. JR advised that they were seeking to enter into a new joint venture or find another user for their facility. JR advised that several entities had toured the facility and expressed an interest in it. The IDA Board authorized its Chairman to execute an Amendment to JR's lease to extend the project completion date through December 31, 2019.

In October 2019, the IDA was advised by JR that they were going to be auctioning off equipment and machinery that was stored onsite. At that time, the IDA Board authorized starting the process to recapture the sales tax benefits JR realized during the project because JR had not created the 27+/- new jobs it said it would create. The IDA Board also authorized its Chairman to execute an Escrow Agreement with JR whereby all proceeds from that auction would be held by an Escrow Agent to eventually be used to repay the sales tax benefits JR obtained as part of this project. The IDA Board will continue its due diligence to ensure that JR repays New York State the estimated \$960,000 of sales tax benefits it received for this project.

5. FULTON COUNTY'S ECONOMIC DEVELOPMENT STRATEGY:

Fulton County's Development Strategy recommended the creation of three (3) Primary Development Areas to be identified where new housing could be developed. One of these Primary Development Areas is the Tryon Development Area. This Development Area contains approximately 35+/- acres and is located at the northern end of the Tryon property owned by the IDA. With respect to the Tryon Development Area, the Development Strategy recommended that:

- a. Fulton County should prepare a one-page "sell sheet" that focuses specifically on the market demand for executive-level housing. The sheet should include information on growth in households with incomes over \$100,000 and the lack of executive level housing in the County.
- b. Fulton County should market the residential plan in conjunction with the Technology Park as "Tryon Technology Park and Village." The vision for an upscale residential village adjacent to the Technology Park can help support tenant recruitment efforts for the Park. This, in turn, will help induce demand for housing in the village as new businesses move into the Park. The County should enhance the Tryon website to help promote and market the vision for Tryon as a business park and residential community. Erie Station Village and Erie Station Business Park in Henrietta, New York is a good example of this approach.
- c. Fulton County should focus on neighborhood-serving retail like a coffee house, bar or restaurant. Potential uses should be carefully designed to be contemporary and fresh to complement the housing in that development area that should be targeted to professionals and executives. In the near term, it is more feasible to recruit a small café or similar business to locate on the Tryon Campus. As housing is built, new retail development may become feasible in the "village" area.
- d. Fulton County should consider partnering with a developer on a "Phase I" project. The type of housing envisioned in Tryon Village represents a largely unproven market, which may deter developers. The County should be prepared to engage in a partnership to entice a developer, such as putting in a small portion of the new road. The purpose of this will be to demonstrate a market for the types of homes included in the vision, which will attract additional private investment. Alternatively, it may demonstrate a need to shift the vision for Tryon Village, such as towards more workforce-level housing.

In 2019, the IDA Board:

- a. Hired Environmental Design Partnership to prepare a Desktop Environmental Assessment of the Tryon Development Area. This Assessment identified potential impediments to building out the Tryon Development Area. This Assessment will help in the marketing of the site to potential developers.
- b. Hired Elan Planning and Design to prepare a sell sheet to help market the Tryon Development Area.

6. IDA WEBSITE:

In 2019, the Authority Budget Office (ABO) issued new policy guidance regarding IDA websites. The IDA management reviewed the IDA's website contents and identified a series of deficiencies in comparison to these new policy guidelines. The IDA Board hired Emery Designs to make the necessary changes to the IDA website to bring it into compliance with the ABO's new policy guidance. This work was completed in 2019.

The IDA Board also hired Emery Designs later in the year to undertake a significant updating and revision to the IDA's website. This work began in late 2019 and will be completed in 2020.

7. AUDIT:

The Audit of the 2018 IDA's Financial Statements contained a recommendation that the IDA Board prepare monthly reconciliations of its bank accounts. In response to that recommendation, the IDA Board commenced a process in 2019 to have an IDA Board member conduct a monthly review of all IDA bank statements and to sign off on a reconciliation form.

8. BOARD TRAINING:

One of the comments made on the 2018 IDA Questionnaire was a desire to have more Board training conducted. Commencing in early 2019, the Executive Director began incorporating Board Training into monthly IDA Agendas. This training was conducted on numerous occasions during 2019 and will continue in the years ahead.

9. PALATINE DAIRY:

The IDA Board received a Project Application from Palatine Dairy to renovate the former Spray 9 building on North Comrie Avenue in the City of Johnstown into a facility that will be used for the manufacturing of dairy products, retail store and restaurant. Palatine Dairy subsequently withdrew its application and the IDA Board took no further action. The project, however, has moved forward.

10. EMINENT DOMAIN:

In 2019, the Fulton County Board of Supervisors asked the IDA Board to commence an Eminent Domain action to acquire lands owned by the late Robert Bowe on Hales Mills Road Extension in the Town of Johnstown. This action was taken after Mr. Bowe listed his property for sale and Fulton County tried to negotiate the purchase of the property from Mr. Bowe. The Board of Supervisors desired to gain control of key lands comprising the Hales Mills Development Area identified in the County's Development Strategy. The IDA Board agreed to proceed with the Board of Supervisors' request. The IDA Board, in June, conducted a public hearing as required by Eminent Domain Procedure Law (EDPL). Numerous people attended the public hearing to express their opposition to acquiring Mr. Bowe's land by Eminent Domain. Shortly after that public hearing, the Fulton County Board of Supervisors passed a Resolution directing the IDA to stop all work on the Eminent Domain action. The IDA Board subsequently agreed to stop the Eminent Domain action.

11. VIDEO STREAMING:

In 2019, the IDA Board learned that the State Legislature will, commencing in 2020, be mandating that all IDA's live video stream IDA meetings and public hearings. The IDA Board discussed what it may take to comply with this new State mandate. The IDA Board will be looking to purchase the necessary equipment and spend the necessary funds in 2020 to comply with this new State mandate.

12. REQUEST FROM NYS SENATE'S INVESTIGATION AND GOVERNMENT OPERATIONS COMMITTEE:

In 2019, the IDA received an extensive request for information from the New York State Senate's Investigation and Government Operations Committee. IDA management spent significant time and resources to pull together answers to the myriad of questions asked by the Committee. The IDA Board reviewed the responses prepared by IDA staff and authorized filing them with the Committee. No response was ever received back from the Committee regarding the information submitted by the IDA.

13. OTHER:

In 2019, the IDA Board also took the following additional actions:

- a. The IDA renewed its Gold Membership with the Fulton County Center for Regional Growth.
- b. The IDA adopted a revised Uniform Tax Exemption Policy.
- c. The IDA Board adopted a 2020 Budget.
- d. IDA Board member George Doherty resigned.
- e. The IDA Board authorized investing funds into a Certificate of Deposit (CD).
- f. The IDA Board rented space at Tryon to Don Brown's Bus to store buses.

The IDA Board appreciates the strong partnership it has with the Fulton County Board of Supervisors and looks forward to continuing that partnership.

III. SUMMARY OF FINANCIAL RESULTS

Table A-1

Condensed Statements of Net Position

	<u>2019</u>	<u>2018</u>	<u>Dollar Change Increase/ (Decrease)</u>
Assets			
Current assets	\$ 1,066,251	\$ 1,097,343	\$ (31,092)
Development projects	3,147,737	3,153,037	(5,300)
Total Assets	4,213,988	4,250,380	(36,392)
Liabilities			
Current liabilities	369,026	375,357	(6,331)
Long-term debt	514,708	514,708	0
Total Liabilities	883,734	890,065	(6,331)
Net Position			
Net investment in capital assets	2,633,029	2,638,329	(5,300)
Unrestricted	697,225	721,986	(24,761)
Total Net Position	<u>\$ 3,330,254</u>	<u>\$ 3,360,315</u>	<u>\$ (30,061)</u>

Changes in Net Position

The IDA's revenue was \$71,772 (see Table A-2).

The total cost of all programs and services amounted to \$101,833 for 2019. The expenses are comprised predominantly of project development costs (30.2%), and professional fees (40.2%).

Net position for the year decreased by \$30,061.

Table A-2

Changes in Net Position from Operating Results

	<u>2019</u>	<u>2018</u>	<u>Dollar Change Increase/ (Decrease)</u>
Revenues			
Program Revenues			
Charges for services	\$ 63,185	\$ 37,691	\$ 25,494
Grants and other program revenues	0	35,293	(35,293)
General Revenues			
Interest income	8,587	528	8,059
Total Revenues	<u>71,772</u>	<u>73,512</u>	<u>(1,740)</u>
Expenses			
Development project costs	30,802	38,620	(7,818)
Miscellaneous expense	5,396	39,214	(33,818)
Salaries and benefits	22,968	22,369	599
Meetings and conferences	843	610	233
Memberships	850	750	100
Professional fees	40,974	25,454	15,520
Total Expenses	<u>101,833</u>	<u>127,017</u>	<u>(25,184)</u>
(Decrease) in Net Position from Operations	<u>\$ (30,061)</u>	<u>\$ (53,505)</u>	<u>\$ 23,444</u>

A. LONG-TERM DEBT:

As of December 31, 2019, the IDA had \$514,708 in long-term debt outstanding. More detailed information about the IDA's long-term debt is included in the notes to basic financial statements.

Table A-3

Outstanding Long-Term Debt

	<u>2019</u>	<u>2018</u>
City of Groversville	\$ 150,267	\$ 150,267
Board of Water Commissioners	89,124	89,124
Community Development Agency	74,961	74,961
Promote Groversville Development Agency	50,089	50,089
Fulton County Economic Development Corporation	150,267	150,267
TOTALS	<u>\$ 514,708</u>	<u>\$ 514,708</u>

IV. PAYMENT IN LIEU OF TAX AGREEMENTS (PILOTS)

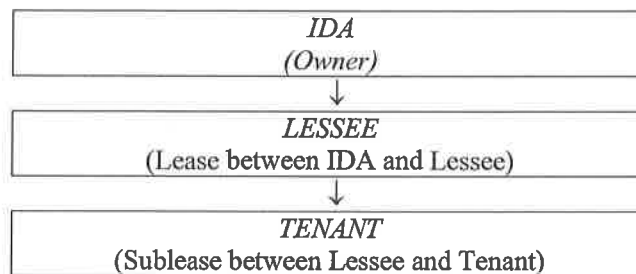
A. Background

As of December 31, 2019, the IDA had two (2) active PILOT Agreements as shown below:

Owner	Lessee	Address	Occupant
IDA	CG Roxane	1 Old Sweet Road, Johnstown	CG Roxane
IDA	Johnstown Renewables	Enterprise Drive, Johnstown	Johnstown Renewables

B. Project Structure

In most projects, the IDA “owns” the real property, machinery and equipment and leases them to a Lessee. The Lessee, in turn, subleases the real property and machinery and equipment to a business:



At the end of the lease term, ownership of the real property, machinery and equipment is transferred from the IDA to either the Lessee or Tenant. Once title is transferred, the real property becomes fully taxable.

V. CONTACTING THE IDA'S FINANCIAL MANAGEMENT

If you have questions about this report or need additional financial information, please contact:

Fulton County Industrial Development Agency
1 East Montgomery Street
Johnstown, NY 12095
Phone: 518-736-5660

FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

STATEMENT OF NET POSITION

DECEMBER 31, 2019

ASSETS

CURRENT ASSETS:

Cash in bank	\$ 192,092
Cash - restricted	<u>874,159</u>

Total current assets	1,066,251
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DEVELOPMENT PROJECTS

3,147,737

TOTAL ASSETS

4,213,988

LIABILITIES

CURRENT LIABILITIES:

Due to City of Johnstown	<u>369,026</u>
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Total current liabilities	369,026
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LONG-TERM DEBT

514,708

TOTAL LIABILITIES

883,734

NET POSITION

Net investment in capital assets	2,633,029
Unrestricted	<u>697,225</u>

TOTAL NET POSITION	<u>\$ 3,330,254</u>
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See notes to basic financial statements.

FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

STATEMENT OF ACTIVITIES

YEAR ENDED DECEMBER 31, 2019

	Program Revenue			Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Other Program Revenues	
FUNCTION/PROGRAMS				
Development projects	\$ 30,802	\$ 0	\$ 0	\$ (30,802)
Miscellaneous expense	5,396	0	0	(5,396)
Meetings and conferences	843	0	0	(843)
Memberships	850	0	0	(850)
Professional fees	40,974	(63,185)	0	22,211
Salaries and benefits	22,968	0	0	(22,968)
Total function/programs	<u>\$ 101,833</u>	<u>\$ (63,185)</u>	<u>\$ 0</u>	(38,648)
GENERAL REVENUE				
Interest income				<u>8,587</u>
CHANGE IN NET POSITION				(30,061)
TOTAL NET POSITION - BEGINNING OF YEAR				<u>3,360,315</u>
TOTAL NET POSITION - END OF YEAR				<u>\$ 3,330,254</u>

See notes to basic financial statements.

FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2019

CASH FLOWS (USED) BY OPERATING ACTIVITIES:	
Expenses in excess of revenues	\$ (30,061)
Adjustments to convert to cash:	
Decrease in developmental property	5,300
(Decrease) in due to City of Johnstown	<u>(6,331)</u>
Net cash (used) by operating activities	<u>(31,092)</u>
NET (DECREASE) IN CASH	(31,092)
CASH - BEGINNING OF YEAR	<u>1,097,343</u>
CASH - END OF YEAR	<u><u>\$ 1,066,251</u></u>

See notes to basic financial statements.

FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Fulton County Industrial Development Agency (Agency) have been prepared in conformity with U.S. generally accepted accounting principles. Significant accounting policies are:

Organization

The Agency is an Industrial Development Agency duly established under Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 665, Section 895C, of the Laws of 1970 of the state and is a public benefit corporation of the state.

The Agency was formed for the purpose of encouraging economic growth in the County of Fulton. The Agency is exempt from federal, state and local income taxes. The Agency, although established by the Fulton County Board of Supervisors, is a separate entity and operates independently of the County of Fulton.

Basis of Accounting

The Agency is required by New York State to maintain its books on the accrual basis of accounting.

Budgetary Accounting

In accordance with Section 861 of the General Municipal Law, the Agency prepares and adopts annual budgets.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make certain estimates and assumptions. Those estimates and assumptions may affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported revenues and expenses. Actual results could differ from those estimates.

Advertising Costs

The Agency's advertising costs are expensed as incurred. There was no advertising expense for the year ended December 31, 2019.

Fair Value of Financial Instruments

Unless otherwise indicated, the fair values of all reported assets and liabilities which represent financial instruments (none of which are held for trading purposes) approximate the carrying values of such amounts.

Cash and Cash Equivalents

For purposes of the statement of cash flows, management considers all investment instruments purchased with a maturity of three months or less to be cash equivalents.

Development Project Assets

Development project assets, consisting of land and site improvements acquired by the Agency, are stated at cost (or estimated historical cost) and include interest capitalized during construction where applicable. Contributed assets are recorded at fair market value at the date received. Major additions and betterments are capitalized, while maintenance and repairs, which do not appreciably extend the useful lives of the related assets, are charged to expense as incurred. There are no reversionary interests by the grantor in the assets (see also Notes 2 and 4 following).

FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

Lot Sales

Certain lot sales are capitalized lease purchase agreements. The leases are structured to receive full payment at lease inception and are recorded as sales by the Agency at that time. Other lot sales are direct sales in which title to the property transfers to the purchaser. There were no lot sales in 2019.

NOTE 2 – CASH – RESTRICTED/DUE TO CITY OF JOHNSTOWN

- A. The Agency entered into an agreement with the City of Johnstown whereby the Agency is to develop the Johnstown Industrial Park (Park). The City of Johnstown (City) conveyed title to 175 acres of land to the Agency pursuant to Local Law No. 2 of 1989.

The Agency is to develop, operate and manage the Park. All revenues generated from the lot sales in the Park are to be allocated between the City and the Agency as follows:

1. Seven percent of gross revenues are to be retained by the Agency for administrative costs.
2. Of the remaining balance:
 - a. Fifty percent shall be paid to the City; and
 - b. Fifty percent shall be retained by the Agency and deposited in an interest-bearing account dedicated solely for the use in future industrial and economic development-type projects within the City, or outside the City with their approval.

- B. Restricted cash balances at December 31, 2019, are as follows:

City of Johnstown (a. above)	<u>\$ 369,026</u>
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- C. During the year the Agency received requests from the City of Johnstown for the Regional Business Park. The total amount paid to the City was \$8,076.

NOTE 3 – DEVELOPMENT PROJECTS

The Agency's development projects at December 31, 2019, are as follows:

Crossroads Industrial Park	\$ 120,000
Crossroads Business Park	1,925,000
Johnstown Industrial Park	305,629
Tryon Technology Park	<u>797,108</u>
TOTAL	<u>\$ 3,147,737</u>

The development projects consist of land acquisition costs and site improvements; i.e., roads, water and sewer lines and landscaping.

FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 4 – LONG-TERM DEBT

As part of the Crossroads Business Park project, the Agency entered into an agreement with five local governmental and nonprofit entities. Each entity, including the Agency, provided funds necessary to meet the \$665,000 local match requirement of the EDA grant. The agreement provides that the Agency retain the first \$100,000 received for sale of lots of the Crossroads Business Park. Thereafter, the Agency, after deducting an administrative fee and any other customary sale or lease expenses, shall repay the project participants (including the Agency) at the percent of participation that each entity provided to the total \$665,000 local match.

Interest was accrued at 5½% on the unpaid balances for a maximum of seven years (ending in 2005). Therefore, for the year ended December 31, 2019, interest expense totaled \$-0-.

This balance is comprised of amounts due to the following entities:

City of Groversville	\$ 150,267
Board of Water Commissioners	89,124
Community Development Agency	74,961
Promote Groversville Development Agency	50,089
Fulton County Economic Development Corporation	<u>150,267</u>
TOTAL	\$ <u>514,708</u>

NOTE 5 – FAIR VALUE MEASUREMENTS

As required by FASB ASC, *Fair Value Measurement*, the Agency is required to value investment and debt securities based on the valuation measurement techniques and hierarchy established by the FASB ASC.

There are three general valuation techniques that may be used to measure fair value, as described below:

- A) Market approach – Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Prices may be indicated by pricing guides, sales transactions, market trades or other sources.
- B) Cost approach – Based on the amount that currently would be required to replace the service capacity of an asset (replacement cost); and
- C) Income approach – Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts (includes present value techniques and option-pricing models). Net present value is an income approach where a stream of expected cash flows is discounted at an appropriate market interest rate.

FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO BASIC FINANCIAL STATEMENTS

DECEMBER 31, 2019

NOTE 5 – FAIR VALUE MEASUREMENTS – (CONTINUED)

Fair values of assets and liabilities measured on a recurring basis at December 31, 2019, are as follows:

<u>Fair Value Measurements Using</u>				
	<u>Fair Value</u>	<u>Quoted Prices in Active Markets for Identical Assets/Liabilities (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<u>December 31, 2019</u>				
Long-term debt	\$ 514,708	\$ 0	\$ 514,708	\$ 0

NOTE 6 – INDUSTRIAL REVENUE BOND AND NOTE TRANSACTIONS

Certain industrial development revenue bonds and notes issued by the Agency are secured by property which is leased to companies and is retired by lease payments. The bonds and notes are not obligations of the Agency or the state. The Agency does not record the assets or liabilities resulting from completed bond and note issues in its accounts since its primary function is to arrange the financing between the borrowing companies and the bond and note holders and funds arising there from are controlled by trustees or banks acting as fiscal agents. For providing this service, the Agency receives bond administration fees from the borrowing companies. Such administrative fee income is recognized immediately upon issuance of bonds and notes. At December 31, 2019, the original issue value of bonds issued aggregated was \$5,450,000 and the outstanding balance was \$1,571,498. Refer to the Schedule of Industrial Development Revenue Bonds on page 22.

NOTE 7 – INVESTMENTS

The Agency's investment policies are governed by state statutes. Agency monies must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the state. The Agency 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 at 100% of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States Government and its agencies and obligations of any state and its municipalities and school districts.

At December 31, 2019, all deposits are fully collateralized.

NOTE 8 – SUBSEQUENT EVENTS

The Agency has evaluated subsequent events through the issuance date of the report. None were considered material to the issued financial statements.



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

To the Chairperson and Board of the
Fulton County Industrial Development Agency
Johnstown, 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 Fulton County Industrial Development Agency, a public benefit corporation, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated March 3, 2020.

Internal Control Over Financial Reporting

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

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

Purpose of this Report

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

WEST & COMPANY CPA PC

Gloversville, New York
March 3, 2020

FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF INDUSTRIAL DEVELOPMENT REVENUE BONDS

DECEMBER 31, 2019

<u>PROJECTS</u>	<u>CURRENT INTEREST RATE</u>	<u>OUTSTANDING BEGINNING OF YEAR</u>	<u>ISSUED</u>	<u>PRINCIPAL PAID</u>	<u>INTEREST PAID</u>	<u>DECEMBER 31, 2019 BALANCE</u>
Fulton County YMCA, Inc.	4.75%	\$ 1,697,093	\$ 0	\$ 125,595	\$ 54,039	\$ 1,571,498
TOTALS		<u>\$ 1,697,093</u>	<u>\$ 0</u>	<u>\$ 125,595</u>	<u>\$ 54,039</u>	<u>\$ 1,571,498</u>

See accompanying notes.

FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

CODE OF ETHICS

I. INTRODUCTION:

This Code of Ethics shall apply to all members, staff and other employees of the Fulton County Industrial Development Agency (AGENCY). These policies shall serve as a guide for official conduct and are intended to enhance the ethical and professional performance of the AGENCY's directors and employees and to preserve public confidence in the AGENCY's mission.

II. RESPONSIBILITY OF MEMBERS, STAFF AND EMPLOYEES:

- A. Members, staff and employees shall perform their duties with transparency, without favor and refrain from engaging in outside matters of financial or personal interest, including other employment, that could impair independence of judgment, or prevent the proper exercise of one's official duties.
- B. Members, staff and employees shall not, directly or indirectly, make, advise or assist any person to make any financial investment based upon information available through the director's or employee's official position that could create any conflict between their public duties and interests and their private interests.
- C. Members, staff and employees shall not accept or receive any gift in excess of seventy-five dollars (\$75), whether it be in the form of financial payments, services, loans, travel reimbursement, entertainment, hospitality, thing or promise from any entity doing business with or before the AGENCY.
- D. Members, staff and employees shall not use or attempt to use their official position with the AGENCY to secure unwarranted privileges for themselves, members of their family or others, including employment with the AGENCY or contracts for materials or services with the AGENCY.
- E. Members, staff and employees must conduct themselves at all times in a manner that avoids any appearance that they can be improperly or unduly influenced, that they could be affected by the position of or relationship with any other party or that they are acting in violation of their public trust.
- F. Members, staff and employees may not engage in any official transaction with an outside entity in which they have a direct or indirect financial interest that may reasonably conflict with the proper discharge of their official duties.
- G. Members, staff and employees shall manage all matters within the scope of the AGENCY's mission independent of any other affiliations or employment. Members, staff and employees employed by more than one government shall strive to fulfill their professional responsibility to the AGENCY without bias and shall support the AGENCY's mission to the fullest.
- H. Members, staff and employees shall not use AGENCY property or resources or disclose information acquired in the course of their official duties in a manner inconsistent with State or local law and the AGENCY's mission and goals.

III. IMPLEMENTATION OF CODE OF ETHICS:

- A. This Code of Ethics shall be provided to all members, staff and employees upon commencement of employment or appointment and shall be reviewed annually by the Governance Committee.
- B. The AGENCY may designate an Ethics Officer, who shall report to the AGENCY and shall have the following duties:
 - Counsel in confidence AGENCY members, staff and employees who seek advice about ethical behavior.
 - Receive and investigate complaints about possible ethics violations.
 - Dismiss complaints found to be without substance.
 - Prepare an investigative report of their findings for action by the Executive Director or the board.
 - Record the receipt of gifts or gratuities of any kind received by the director or employee, who shall notify the Ethics Officer within 48 hours of receipt of such gifts and gratuities.

IV. PENALTIES:

- A. In addition to any penalty contained in any other provision of law, an AGENCY, members, staff or employee who knowingly and intentionally violates any of the provisions of this code may be removed in the manner provided for in law, rules or regulations.

V. REPORTING UNETHICAL BEHAVIOR:

- A. AGENCY members, staff and employees are required to report possible unethical behavior by a member, staff or employee of the AGENCY to the Ethics Officer. Ethics complaints may be filed anonymously and are protected from retaliation by the policies adopted by the AGENCY.

CERTIFICATION OF CHIEF EXECUTIVE OFFICER

I, James Mraz, certify that I am the Chief Executive Officer of Fulton County Industrial Development Agency and that this report, to the best of my knowledge, information and belief, is a true and correct statement of the financial transactions and fiscal condition for the year ended December 31, 2019.

Signature: _____

Title: Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER

I, Carol Ellis, certify that I am the Chief Financial Officer of Fulton County Industrial Development Agency and that this report, to the best of my knowledge, information and belief, is a true and correct statement of the financial transactions and fiscal condition for the year ended December 31, 2019.

Signature: _____

Title: Chief Financial Officer

**FULTON COUNTY
INDUSTRIAL DEVELOPMENT AGENCY, INC.**

SCHEDULE OF INVESTMENTS

YEAR ENDED DECEMBER 31, 2019

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INDEPENDENT AUDITORS' REPORT

To the Chairperson and Board of the
Fulton County Industrial Development Agency
Johnstown, New York

Report on the Schedule of Investments

We have audited the accompanying schedule of investments of Fulton County Industrial Development Agency, a public benefit corporation, as of December 31, 2019, and the related notes.

Management's Responsibility for the Financial Schedule

Management is responsible for the preparation and fair presentation of the schedule of investments in conformity with U.S. generally accepted accounting principles; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the schedule of investments that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the schedule of investments 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 schedule of investments are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the schedule of investments. The procedures selected depend on the auditors' judgment including the assessment of the risks of material misstatement of the schedule of investments, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to Fulton County Industrial Development Agency's preparation and fair presentation of the schedule of investments in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the schedule of investments.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the schedule of investments referred to above present fairly, in all material respects, the investments of Fulton County Industrial Development Agency as of December 31, 2019, in conformity with U.S. generally accepted accounting principles.

Report on the Financial Statements

We have audited, in accordance with auditing standards generally accepted in the United States and *Government Auditing Standards*, the financial statements of Fulton County Industrial Development Agency as of and for the year ended December 31, 2019, and our report thereon dated March 3, 2020, expressed an unmodified opinion on those financial statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 3, 2020, on our consideration of Fulton County Industrial Development Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters with respect to the schedule of investments. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Fulton County Industrial Development Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Fulton County Industrial Development Agency's internal control over financial reporting and compliance with respect to the schedule of investments.

WEST & COMPANY CPA PC

Gloversville, New York
March 3, 2020

FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

SCHEDULE OF INVESTMENTS

DECEMBER 31, 2019

INVESTMENTS	
Unrestricted	\$ <u> 0</u>
TOTAL INVESTMENTS	\$ <u> 0</u>

The accompanying notes are an integral part of this statement.

FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO SCHEDULE OF INVESTMENTS

DECEMBER 31, 2019

NOTE 1 – BACKGROUND AND ORGANIZATION

Organization and Purpose

The Organization

The Agency is an Industrial Development Agency duly established under Title 1 of Article 18-A of the General Municipal Law of the State of New York, as amended, and Chapter 665, Section 895C, of the Laws of 1970 of the state and is a public benefit corporation of the state.

The Agency was formed for the purpose of encouraging economic growth in the County of Fulton. The Agency is exempt from federal, state and local income taxes. The Agency, although established by the Fulton County Board of Supervisors, is a separate entity and operates independently of the County of Fulton.

Basis of Accounting

The accounts of the Agency are maintained on the accrual basis of accounting as specified in the Governmental Accounting Standards Board (GASB) codification of governmental accounting and financial reporting standards. The accompanying basic financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. The Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. In accordance with the provisions of the GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that use Proprietary Fund Accounting*, the Agency has elected not to apply all Financial Accounting Standards Board statements and interpretations issued after November 30, 1989.

Operating revenues are those revenues that are generated from economic development operations of the Agency. All other revenues are reported as nonoperating revenues. Operating expenses are those expenses that are essential to economic development operations of the Agency. All other expenses are reported as nonoperating expenses.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investments

Investments held by the Agency are measured at fair value pursuant to GASB issued Statement No. 72, *Fair Value Measurement and Application*. Money Market Funds, categorized as Level 1 inputs, are valued at the unadjusted prices that are quoted in active principal markets for identical assets. U.S. Agencies securities, categorized as Level 2, are valued on models using observable inputs. Certificates of deposit, which are valued as cost.

FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO SCHEDULE OF INVESTMENTS

DECEMBER 31, 2019

NOTE 3 – INVESTMENTS

As of December 31, 2019, the Agency had the following investments. Investment maturities are shown for December 31, 2019 only.

	<u>Fair Value</u>	<u>Investment Maturities Less Than 1 Year</u>
Certificate of Deposit	\$ 505,133	
Money Market	<u>560,693</u>	<u>\$ 1,065,826</u>
Total	1,065,826	
Less: cash equivalents	<u>(1,065,826)</u>	
Total unrestricted investments	<u>\$ 0</u>	

Permitted Investments

- a. As authorized by General Municipal Law, §11, the Agency authorizes the CFO to invest moneys not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments:
- Special time deposit accounts;
 - Certificates of deposit;
 - Obligations of the United States of America;
 - Obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America;
 - Obligations of the State of New York;
 - Obligations issued pursuant to Local Finance Law §24.00 or §25.00 (with approval of the State Comptroller) by any municipality, school district or district corporation other than the Agency;
 - Obligations of public authorities, public housing authorities, urban renewal agencies and industrial development agencies where the general State statutes governing such entities or whose specific enabling legislation authorizes such investments;
 - Certificates of Participation (COPs) issued pursuant to GML §109-b;
 - Obligations of this local government, but only with any moneys in a reserve fund established pursuant to GML §6-c, 6-d, 6-e, 6-g, 6-h, 6-j, 6-k, 6-l, 6-m, and 6-n.



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

To the Chairperson and Board of the
Fulton County Industrial Development Agency
Johnstown, 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 *Government Auditing Standards* issued by the Comptroller General of the United States, the schedule of investments of the Fulton County Industrial Development Agency, a public benefit corporation, as of and for the year ended December 31, 2019, and the related notes to the schedule of investments, and have issued our report thereon dated March 3, 2020.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Agency's schedule of investments 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 Fulton County Industrial Development Agency's schedule of investments are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and investment policies established by Fulton County Industrial Development Agency and the New York State Comptroller investment guideline requirements as presented in Section 201.3(c) of the *Accounting, Reporting and Supervision Requirements for Public Authorities*, noncompliance with which could have a direct and material effect on the determination of schedule of investment 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 intended solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

WEST & COMPANY CPAs PC

Gloversville, New York
March 3, 2020

SCHEDULE 2

**MISSION STATEMENT AND
MEASUREMENT REPORT**

FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

2019 Performance and Measurement Report

I. FISCAL YEAR: January 1, 2019 – December 31, 2019

II. ENABLING LEGISLATION:

Industrial Development Agencies (“IDAs”) are formed under Article 18-A of New York State General Municipal Law, as public benefit corporations. IDAs were created to actively promote, encourage, attract and develop job and recreational opportunities and economically-sound commerce and industry in cities, towns, villages and counties throughout New York State. IDAs are empowered to provide financial assistance to private entities through tax incentives in order to promote the economic welfare, prosperity and recreational opportunities for residents of a municipality.

III. MISSION STATEMENT:

“The IDA’s mission is to create and promote economic growth and prosperity for both residents and entrepreneurs in Fulton County. The IDA’s role in Fulton County’s Economic Development Program is to develop and maintain an inventory of shovel-ready sites for new and expanding businesses, offer financial incentives, as may be required, to encourage the creation of new and retention of existing jobs and expand the County’s tax base. In doing so, the IDA strives to make Fulton County a desirable place to live and do business.”

This revised Mission Statement was adopted on August 23, 2012. The Authority Budget Office (ABO) notified the IDA in 2012 that its original Mission Statement was not acceptable. As a result, the IDA Board adopted this revised Mission Statement which was accepted by the ABO.

IV. IDA STAKEHOLDERS:

Fulton County Board of Supervisors

V. IDA BENEFICIARIES:

Fulton County residents and all local taxing jurisdictions

VI. IDA CUSTOMERS:

Existing businesses in Fulton County and new businesses desiring to locate into Fulton County.

VII. 2019 PERFORMANCE MEASURES:

- Comply with the Public Authorities Accountability Act.
- Assist businesses in creating and retaining jobs by providing financial assistance.
- Identify additional sites for business development.

VIII. GOVERNANCE CERTIFICATION:

1. Have IDA Board members acknowledged that they have read and understood the IDA's Mission Statement?

Yes

2. Who has the power to appoint the management of the IDA?

Board of Directors

3. If the IDA Board appoints management, is there a policy the IDA Board follows when appointing management?

No

4. Briefly describe the role of the Board and management in the implementation of the Mission Statement.

The IDA Board provides strategic input, guidance and oversight of the IDA's mission, adopts policies, adopts a budget, appoints an Executive Director, Chief Financial Officer, Counsel and Auditor. The Board provides direct oversight of its Executive Director.

The Executive Director has the responsibility for the day-to-day operations of the IDA, collaborates with the IDA Board in strategic planning and implements policies and programs established to achieve the IDA's mission.

5. Has the IDA Board acknowledged that they have read and understood the responses to each of these questions?

Yes

I hereby certify that the IDA Board met on January 14, 2020 and approved this Report:


Dave D'Amore, Chairman

1.14.2020
Date

SCHEDULE 3

SCHEDULE OF BONDS

FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF INDUSTRIAL DEVELOPMENT REVENUE BONDS

DECEMBER 31, 2019

<u>PROJECTS</u>	<u>CURRENT INTEREST RATE</u>	<u>OUTSTANDING BEGINNING OF YEAR</u>	<u>ISSUED</u>	<u>PRINCIPAL PAID</u>	<u>INTEREST PAID</u>	<u>DECEMBER 31, 2019 BALANCE</u>
Fulton County YMCA, Inc.	4.75%	\$ 1,697,093	\$ 0	\$ 125,595	\$ 54,039	\$ 1,571,498
TOTALS		<u>\$ 1,697,093</u>	<u>\$ 0</u>	<u>\$ 125,595</u>	<u>\$ 54,039</u>	<u>\$ 1,571,498</u>

See accompanying notes.

SCHEDULE 4

2019 COMPENSATION SCHEDULE

Position	Name	Salary	Benefits
Executive Director	James Mraz	\$20,759	None
Chief Financial Officer	Carol Ellis	\$ 2,210	None

SCHEDULE 5

2019 PROJECTS

1. Century Linen:

a. Background:

Century Linen & Uniform, Inc. (formerly Robison & Smith) is a locally owned and operated family business that provides healthcare linen solutions, work uniform programs, entrance mats, and linen services to other businesses throughout New York. It currently has two (2) plants:

- 1) Gloversville: This plant serves exclusively healthcare.
- 2) Johnstown: This plant serves restaurants, hotels, industrial, and retail medical.

The company also operates:

- 1) Three (3) service centers across the state, in Canastota, Potsdam, and Albany.
- 2) A small dry-cleaning operation.
- 3) Coin laundries.

Century employs about 330 full-time persons within New York State. In 2017, Century Linen submitted a Project Application to the IDA for a project they were pursuing. Century Linen proposed to lease an existing building at 125 Balzano Road in the City of Gloversville. The building contains 50,000 sf and was owned by STAG, Boston, MA. Century Linen projects to invest approximately \$4.35 million on this project through renovating the building and purchasing and installing new machinery and equipment. This proposed project was needed by Century Linen to upgrade and modernize its operation, remain competitive and support recent and future growth of its business.

The IDA provided financial incentives to the proposed project in the form of sales tax exemptions. The estimated value of the sales tax exemptions was \$348,000.

Century Linen completed the renovations to the building in 2019.

SCHEDULE 6

**LISTING AND DESCRIPTION OF ALL
REAL PROPERTY HAVING AN
ESTIMATED FAIR MARKET VALUE
IN EXCESS OF \$15,000 ACQUIRED
OR DISPOSED OF DURING 2019**

- None

SCHEDULE 7

CODE OF ETHICS

FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

CODE OF ETHICS

I. INTRODUCTION:

This Code of Ethics shall apply to all members, staff and other employees of the Fulton County Industrial Development Agency (AGENCY). These policies shall serve as a guide for official conduct and are intended to enhance the ethical and professional performance of the AGENCY's directors and employees and to preserve public confidence in the AGENCY's mission.

II. RESPONSIBILITY OF MEMBERS, STAFF AND EMPLOYEES:

- A. Members, staff and employees shall perform their duties with transparency, without favor and refrain from engaging in outside matters of financial or personal interest, including other employment, that could impair independence of judgment, or prevent the proper exercise of one's official duties.
- B. Members, staff and employees shall not directly or indirectly, make, advise, or assist any person to make any financial investment based upon information available through the director's or employee's official position that could create any conflict between their public duties and interests and their private interests.
- C. Members, staff and employees shall not accept or receive any gift in excess of seventy-five dollars (\$75), whether it be in the form of financial payments, services, loans, travel reimbursement, entertainment, hospitality, thing or promise from any entity doing business with or before the AGENCY.
- D. Members, staff and employees shall not use or attempt to use their official position with the AGENCY to secure unwarranted privileges for themselves, members of their family or others, including employment with the AGENCY or contracts for materials or services with the AGENCY.
- E. Members, staff and employees must conduct themselves at all times in a manner that avoids any appearance that they can be improperly or unduly influenced, that they could be affected by the position of or relationship with any other party, or that they are acting in violation of their public trust.
- F. Members, staff and employees may not engage in any official transaction with an outside entity in which they have a direct or indirect financial interest that may reasonably conflict with the proper discharge of their official duties.

- G. Members, staff and employees shall manage all matters within the scope of the AGENCY's mission independent of any other affiliations or employment. Members, staff and employees employed by more than one government shall strive to fulfill their professional responsibility to the AGENCY without bias and shall support the AGENCY's mission to the fullest.
- H. Members, staff and employees shall not use AGENCY property or resources or disclose information acquired in the course of their official duties in a manner inconsistent with State or local law and the AGENCY's mission and goals.

III. IMPLEMENTATION OF CODE OF ETHICS:

- A. This Code of Ethics shall be provided to all members, staff and employees upon commencement of employment or appointment and shall be reviewed annually by the Governance Committee.
- B. The AGENCY may designate an Ethics Officer, who shall report to the AGENCY and shall have the following duties:
 - Counsel in confidence AGENCY members, staff and employees who seek advise about ethical behavior.
 - Receive and investigate complaints about possible ethics violations.
 - Dismiss complaints found to be without substance.
 - Prepare an investigative report of their findings for action by the Executive Director or the board.
 - Record the receipt of gifts or gratuities of any kind received by the director or employee, who shall notify the Ethics Officer within 48 hours of receipt of such gifts and gratuities.

IV. PENALTIES:

- A. In addition to any penalty contained in any other provision of law, an AGENCY, members, staff or employee who knowingly and intentionally violates any of the provisions of this code may be removed in the manner provided for in law, rules or regulations.

V. REPORTING UNETHICAL BEHAVIOR:

- A. AGENCY members, staff and employees are required to report possible unethical behavior by a member, staff or employee of the AGENCY to the Ethics Officer. Ethics complaints may be filed anonymously and are protected from retaliation by the policies adopted by the AGENCY.

SCHEDULE 8

IDA BOARD'S ASSESSMENT OF THE EFFECTIVENESS OF ITS INTERNAL CONTROL STRUCTURE AND PROCEDURES

FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

2019 Assessment of the Effectiveness of Internal Financial Controls

I. BACKGROUND:

1. Section 2800(1)(a)(9) and Section 2800(2)(a)(8) of Public Authorities Law require all public authorities to complete an annual assessment of the effectiveness of their internal control structures and procedures.

II. INTENT:

1. The intent of the Fulton County Industrial Development Agency's (IDA) system of internal control shall be to:
 - a) Promote effective and efficient operations so as to help the IDA carry out its mission.
 - b) Provide reasonable assurance that the IDA's assets are safeguarded against inappropriate or unauthorized use.
 - c) Promote the accuracy and reliability of accounting data and financial reporting to ensure transactions are executed in accordance with the IDA' Board's authorization and recorded properly in accounting records.
 - d) Encourage adherence to the IDA Board's policies and procedures for conducting programs and operations.
 - e) Ensure compliance with applicable laws and regulations.
2. This system of internal control includes performing an annual assessment to identify potential weaknesses in policies or procedures and to implement corrective actions.
3. This assessment shall identify significant weaknesses in controls, recognize emerging or inherent risks, and to enable early detection of existing or potential problems. If an internal control system is working effectively, the IDA Board will have a reasonable indication of the reliability of its operating practices and the accuracy of the information it is using to measure its activities and performance. Any deficiencies identified as a result of the assessment shall be addressed by the IDA Board.

III. INTERNAL FINANCIAL CONTROL SYSTEM:

1. SUMMARY:

- A. The Fulton County Industrial Development Agency utilizes an internal control system to preserve the assets of the organization.
- B. System procedures shall be reviewed annually by the independent auditors who will make recommendations to the Board of Directors for suggested changes.
- C. In addition, during the year, changes may be recommended by IDA's management. However, such changes shall not be implemented until reviewed by independent auditors and approved by the IDA Board.

2. **CASH RECEIPTS:**

- A. The Chief Financial Officer shall open the daily mail and make copies of the checks received and file same.
- B. The Chief Financial Officer shall prepare and make a bank deposit as needed.
- C. Upon completion of the deposit, the Chief Financial Officer shall enter the deposit in the appropriate Agency's records.
- D. All bank accounts shall be reconciled monthly.

3. **CASH DISBURSEMENTS:**

- A. All purchases shall be made according to the IDA's Procurement Policy. The IDA's Procurement Policy shall be reviewed annually by the IDA Board.
- B. All invoices received shall be reviewed by the Chief Financial Officer and verified for accuracy and completeness. The Chief Financial Officer shall then forward them to the Executive Director for review for completeness and accuracy.
- C. All invoices received that do not have prior authorization by the IDA Board shall be submitted to the IDA Board at their next regularly-scheduled meeting to get authorization to pay.
- D. All invoices received that IDA Board authorization has been given and once reviewed and approved by both the Chief Financial Officer and Executive Director, the Chief Financial Officer shall transfer the necessary funds and prepare a check for payment.
- E. All IDA checks shall have two (2) signatures. One shall be by the Chief Financial Officer. The second shall be by an authorized member of the IDA Board. In the absence of the Chief Financial Officer, the second signature can be by another member of the Audit Committee. The Executive Director shall not be an authorized signer.
- F. An authorized signer may not sign his/her check for reimbursement of approved travel, unless signed by a second IDA Board member.

4. **BUDGET REPORTS:**

- A. Budget Reports shall be prepared regularly by the Chief Financial Officer in a format approved by the Board of Directors.
- B. Budget Reports includes the following information:
 - List of all IDA Accounts
 - Current Year Budgeted Amount for each Account
 - Year to Date Expenditures for each Account
 - Balance in each Account
 - Current Balances for all Investments
- C. All Budget Reports shall be reviewed by the Executive Director prior to presentation to the IDA Board.
- D. All investment of IDA funds shall be in accordance with investment policies. Investment activities shall be reported to the Board monthly. All investment decisions must have the Executive Director's approval after review for compliance with current investment policies.

5. **QUARTERLY TAX RETURNS:**

- A. Quarterly Federal and State Tax Returns shall be signed by the IDA Treasurer or any member of the Audit Committee.

6. **BANK STATEMENT:**

- A. The Chief Financial Officer shall provide at each IDA Board of Directors' meeting a copy of the latest Bank Statement to verify the funds actually in the IDA's bank account. (Added January 9, 2018.)

7. MONTHLY BANK ACCOUNT RECONCILIATION FORMS:

- A. The Chief Financial Officer shall provide, at each IDA Board of Directors' meeting, Monthly Bank Account Reconciliation Forms for each IDA bank account that a member of the Audit Committee will review and, if found acceptable, sign.

IV. IDA'S INTERNAL CONTROLS ASSESSMENT PLAN:

1. Define the IDA's Primary Functions:

- a. Annually review the mission of the IDA and verify that its primary operating responsibilities, operations and functions that will help fulfill its mission.
- b. Annually evaluate the IDA's written mission statement to ensure that it clearly defines the IDA's purpose.
- c. Define IDA's objectives and ensure they are understood by IDA staff.
- d. Review policies, procedures and guidelines to ensure that they guide IDA staff in the operations of the IDA and provide methods and procedures to assess the effectiveness of those functions.

2. Determine Risks:

- a. Assess the internal and external risk exposure and associated vulnerability of each function of the IDA and assign a corresponding risk level (i.e. high, medium, or low).
- b. If a risk is identified, the IDA Board shall determine how to best handle it by evaluating its significance, likelihood, and cause.
- c. Based on the assigned risk levels, the IDA Board shall determine how frequently to review the controls in place for each function.

3. Review Existing Internal Control Systems in Place:

- a. The IDA Board and staff shall annually review and be aware of the policies and practices in place to ensure that the IDA is effective and to address the risks that are relevant to the operation.

4. Assess the Extent to Which the Internal Control System is Effective:

- a. The assessment of internal controls should be a structured and monitored process to identify and report any weaknesses of the internal control structure to the IDA Board.
- b. This process should determine if the existing control structure and procedures are adequate, to then mitigate risk, minimize ineffectiveness and deter opportunities that could lead to the abuse of assets.
- c. The assessment should provide the IDA Board with information as to whether the IDA's policies and operating practices were understood and executed properly, and whether they are adequate to protect the organization from waste, abuse, misconduct, or inefficiency.
- d. This assessment shall be completed through a combination of inquiry and observation, a review of documents and records and by replicating transactions to test the sufficiency of the control system.

5. Take Corrective Action:

- a. When a weakness is identified, a corrective action plan should be developed, adopted by the IDA Board and then monitored by the IDA Board to ensure that the vulnerability is addressed.

V. INTERNAL CONTROL CERTIFICATION:

1. Section 2800(2)(a)(8) of the Public Authorities Law:

- a. To satisfy the requirement of Section 2800(2)(a)(8) of Public Authorities Law, the IDA shall incorporate, either within its annual report or as a separate document, a statement explaining

that the authority has conducted a formal, documented process to assess the effectiveness of their internal control structure and procedures, and indicating whether or not the internal controls are adequate.

- b. This statement should eventually be posted to the IDA's website.
- c. The IDA shall retain documentation to support the assessment of its internal controls.
- d. If the IDA finds any deficiencies with the internal controls over its functions or operations, additional documentation should be maintained to demonstrate that the IDA has adopted corrective action plans to address these weaknesses.
- e. This documentation should be made available upon request to the IDA's independent auditor or to ABO compliance review staff.

2. Public Authorities Reporting Information System (PARIS):

- a. As part of the PARIS Annual Report tab, the IDA will be required to indicate whether or not they have prepared this assessment and to provide the URL link to the statement, if available.

VI. IDA BOARD'S 2019 ASSESSMENT OF THE EFFECTIVENESS OF THE INTERNAL FINANCIAL CONTROL SYSTEM:

“The IDA Board has amended the internal controls per the recommendation of management. The IDA Board of Directors has documented and assessed the internal control structure and procedures of the Fulton County Industrial Development Agency for the year ending December 31, 2019. The amended internal controls were determined to be adequate and no deficiencies were identified. No additional corrective actions were deemed required.”

Approved by IDA Board of Directors on March 9, 2011.
Approved by IDA Board of Directors on March 23, 2012.
Approved by IDA Board of Directors on January 31, 2013.
Approved by IDA Board of Directors on January 14, 2014.
Approved by IDA Board of Directors on February 5, 2015.
Approved by IDA Board of Directors on January 6, 2016.
Approved by IDA Board of Directors on February 9, 2017.
Approved by IDA Board of Directors on January 9, 2018.
Approved by IDA Board of Directors on January 16, 2019.
Approved by IDA Board of Directors on January 14, 2020.

SCHEDULE 9

IDA BOARD LEGISLATION

LAWS OF NEW YORK, 1970

CHAPTER 665

AN ACT to amend the general municipal law, in relation to creating and establishing the Fulton county industrial development agency, and providing for its functions, powers and duties

Became a law May 8, 1970, with the approval of the Governor. Passed on Home Rule request pursuant to article IX, section 2(b) (2) of the Constitution by a majority vote, three-fifths being present

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. The general municipal law is hereby amended by inserting in title two of article eighteen-A, a new section, to be section eight hundred ninety-five-c, to read as follows:

§ 895-c. *Fulton county industrial development agency. For the benefit of the county of Fulton and the inhabitants thereof, an industrial development agency, to be known as the FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY, is hereby established for the accomplishment of any or all of the purposes specified in title one of article eighteen-A of this chapter. It shall constitute a body corporate and politic, and be perpetual in duration. It shall have the powers and duties now or hereafter conferred by title one of article eighteen-A of this chapter upon industrial development agencies. It shall be organized in a manner prescribed by and be subject to the provisions of title one of article eighteen-A of this chapter. Its members shall be appointed by the governing body of the county of Fulton. The agency, its members, officers and employees and its operations and activities shall in all respects be governed by the provisions of title one of article eighteen-A of this chapter.*

§ 2. This act shall take effect immediately.

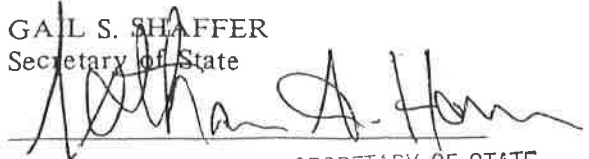
EXPLANATION — Matter in italics is new; matter in brackets [] is old law to be omitted.

State of New York)
DEPARTMENT OF STATE } ss:

I have compared the preceding with the original law on file in this department, and do hereby certify that the same is a correct transcript therefrom, and of the whole of said original law.

Given under my hand and the official seal of the Department of State, at the City of Albany, this ninth day of June, 199 2.

GAIL S. SHAFFER
Secretary of State



NATHAN A. HAMM, SPECIAL DEPUTY SECRETARY OF STATE



CERTIFICATE
OF
ESTABLISHMENT
OF

FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

FOR FILING
WITH
SECRETARY OF STATE

THIS is to certify that the Fulton County Industrial Development Agency has been established by special act of the New York State Legislature, and the following is set forth pursuant to Section 856 of the New York State Industrial Development Agency Act:

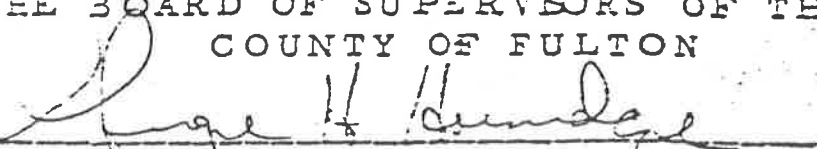
- (1) The special act establishing the Agency was passed May 8th, 1970 by Chapter 665 of the Laws of 1970 which became effective May 8th, 1970.
- (2) The name of the agency is: FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY.
- (3) The names of the members of the Agency, their Chairman, and their terms of office are as follows:

Mr. Isadore Willner, Chairman - 12/31/71 exp.
Mr. Harold P. Kaulfuss, Member - Indefinite term
Mr. F. Dale Simmons, Member - Indefinite term
Mr. Robert P. Best, Member - Indefinite term
Mrs. Arlene M. Sitterly, Member - Indefinite term
- (4) The facts establishing the need for such Agency in the municipality are as follows:

To promote the economic welfare of its inhabitants and to actively promote, attract, encourage and develop economically sound commerce and industry through governmental action for the purpose of preventing unemployment and economic deterioration.

THE BOARD OF SUPERVISORS OF THE
COUNTY OF FULTON

By:


George H. Hurdidge, Clerk

OF NEW YORK
DEPARTMENT OF STATE

} ss:

Hereby Certified, That the attached copy of the Certificate of Establishment for the Fulton County Industrial Development Agency and the Certificates of Appointment of the Members, filed October 5, 1970 and the Certificates of Appointment of the Members, filed October 23, 1980 are true copies of the originals thereof on file in this office.

WITNESS my hand and the official seal of the
Department of State at the City of
Albany, this 8th day
of December one thousand
nine hundred and eighty-one.

Earl G. Patterson
Secretary of State

SCHEDULE 10

IDA BOARD

<u>Committee</u>	2019 <u>Appointees</u>
1. Audit	1.Todd Rulison 2.Joseph Semione 3. George Doherty 4. David D'Amore
2. Governance	1.Jane Kelley 2.Joseph Gillis 3.Tim Munn 4.Todd Rulison
3. Finance	1.Todd Rulison 2.George Doherty 3. Jane Kelley 4.Tim Munn
4. Nominating	1.Joseph Semione 2.Joseph Gillis 3.David D'Amore 4.Tim Munn

Meetings in 2019:

1/16/19	7 present	0 absent	7/9/19	5 present	2 absent
2/12/19	6 present	1 absent	8/13/19	5 present	2 absent
3/19/19	5 present	2 absent	9/10/19	4 present	3 absent
4/9/19	7 present	0 absent	10/15/19	4 present	3 absent
5/14/19	7 present	0 absent	11/12/19	5 present	1 absent 1 vacancy
6/11/19	7 present	0 absent	12/10/19	6 present	0 absent 1 vacancy

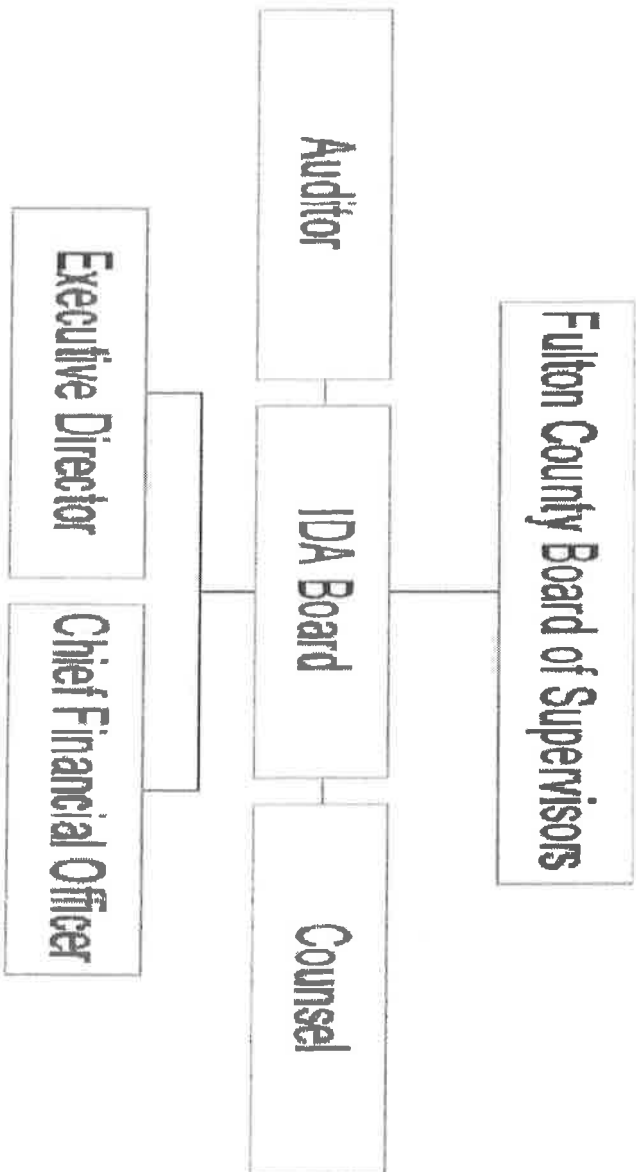
Employees in 2019:

Executive Director
Chief Financial Officer

Organizational Chart:

- see attached

FULTON COUNTY
INDUSTRIAL DEVELOPMENT AGENCY



SCHEDULE 11

BY-LAWS

FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

BYLAWS

ARTICLE I: THE AGENCY

Section 1: Name: The name of the Agency shall be the Fulton County Industrial Development Agency.

Section 2: Seal of Agency: The seal of the Agency shall be in the form of a circle and shall bear the name of the Agency and the year of its organization.

Section 3: Office of Agency: The office of the Agency shall be: c/o Fulton County Planning Department, 1 East Montgomery Street, Johnstown, NY, 12095.

Section 4: Membership: The Agency shall consist of seven (7) members. Members shall be appointed by the Fulton County Board of Supervisors and shall serve at the pleasure of the Board of Supervisors.

Section 5: Duties and Responsibilities of Members: Members shall, at a minimum, have the following duties and responsibilities:

- (a) Execute direct oversight of the Executive Director, Chief Fiscal Officer, Legal Counsel, Auditor and other staff of the Agency.
- (b) Understand, review and monitor the implementation of fundamental financial and management controls and operational decisions of the Agency.
- (c) Establish policies regarding the payment of salary, compensation and reimbursements to staff.
- (d) Adopt a code of ethics applicable to each officer, director and employee.
- (e) Adopt written policies and procedures to protect "Whistle Blowers" from retaliation.
- (f) Adopt a defense and indemnification policy for Board members and officers and employees.
- (g) Adopt written investment guidelines and then annually review and approve such guidelines and adherence thereto each year.
- (h) Adopt a written policy with respect to the disposition of property and to annually review and approve such written policy and adherence thereto each year.
- (i) Perform duties in good faith with due diligence and care.
- (j) Apply judgment in the best interest of the authority, its mission and the public.

- (k) Execute an acknowledgement prescribed by the ABO after taking oath of office where members acknowledge their role and fiduciary responsibilities.

Section 6: Training:

- (a) Agency members shall participate in State-approved training regarding their legal, fiduciary, financial and ethical responsibilities within one (1) year of appointment to the Board.
- (b) Agency members shall participate in continuing training as may be required to remain informed of best practices, and regulatory and statutory changes relating to effective oversight of management and financial activities of Agency.

Section 7: Independent Member Requirements:

- (a) All members of the Agency shall be independent which shall be a member who:
 - (1) Is not, and in the past two (2) years has not been, employed by the Agency or an affiliate in an executive capacity.
 - (2) Is not, and in the past two (2) years has not been, employed by an entity that received remuneration valued at more than \$15,000 for goods and services provided to the public authority or received any other form of financial assistance valued at more than \$15,000 from the Agency.
 - (3) Is not a relative of an executive office or employee in an executive position of the Agency or an affiliate.
 - (4) Is not, and in the past two (2) years has not been, a lobbyist registered under a State or local law and paid by a client to influence the management decisions, contract awards, rate determinations or any other similar actions of the Agency.

Section 8: Separation of Agency and Management: No member shall serve as Executive Director.

Section 9: Code of Ethics:

- (a) The Agency shall adopt and maintain a Code of Ethics applicable to each member and employee of the Agency.
- (b) The Code of Ethics must, at a minimum, contain the standards set forth in Section 74 of the New York Public Officers Law.
- (c) The Code of Ethics must address conflicts of interest, confidentiality and undue influence.
- (d) The Code of Ethics must be included in the Annual Report.

Section 10: Fiscal Year: The Agency's fiscal year shall be from January 1 to December 31.

ARTICLE II: OFFICERS:

Section 1: Officers: The officers of the Agency shall be a Chairman, Vice Chairman, Secretary and Treasurer.

Section 2: Chairman: The Chairman shall:

- (a) Preside at all meetings of the Agency.
- (b) Except as otherwise authorized by resolution of the Agency, sign all agreements, contracts, deeds and any other instruments of the Agency.

Section 3: Vice Chairman: The Vice Chairman shall:

- (a) Perform the duties of the Chairman in the absence or incapacity of the Chairman; and in the case of the resignation or death of the Chairman, the Vice Chairman shall perform such duties as are imposed on the Chairman, until such time as the Agency shall appoint a new Chairman.

Section 4: Secretary: The Secretary shall:

- (a) Keep in safe custody the seal of the Agency and shall have power to affix such seal to all contracts and other instruments authorized to be executed by the Agency.

Section 5: Treasurer: The Treasurer shall:

- (a) Oversee work of Chief Financial Officer.
- (b) Sign all instruments of indebtedness and be authorized to:
 - 1) Sign checks for payment of money;
 - 2) Pay out and disburse monies authorized of the Agency.
- (c) Sign checks of the Agency.

Section 6: Additional Duties: The officers of the Agency shall perform such other duties and functions as may, from time to time, be required by the Agency, by the Bylaws of the Agency or by the rules and regulations of the Agency.

Section 7: Appointment of Officers: All officers of the Agency shall be appointed at the annual meeting of the Agency from among the members of the Agency and shall hold office for one year, or until their successors are appointed.

Section 8: Vacancies: Should any office become vacant, the Agency shall appoint a successor from among its membership at the next regular meeting, and such appointment shall be for the unexpired term of said office.

ARTICLE III: STAFF

Section 1: Executive Director: The Agency shall annually appoint an Executive Director. The Executive Director shall not be a member of the Agency. This appointment shall be made at the annual meeting of the Agency.

The Executive Director shall be responsible for:

- 1) General supervision over the administration of the business and affairs of the Agency, subject to the direction of the Agency.
- 2) Management of all projects of the Agency.
- 3) Prepare agendas for all Agency meetings and distributes agendas to Agency members prior to each meeting.
- 4) Prepare and distribute minutes of all Agency meetings.
- 5) Work with Audit Committee in preparation of Annual Audit and Financial Reports.
- 6) Work with Treasurer in administering and managing fiscal affairs of the Agency.
- 7) Prepare and distribute Annual Report.
- 8) Receipt of all communications and correspondence to the Agency.
- 9) Maintain Agency files.
- 10) Other work as directed by the Agency.

Section 2: Legal Counsel: The Agency shall annually appoint a legal counsel who shall serve at the pleasure of the Agency. Legal counsel shall provide legal advice as requested by the Agency. This appointment shall be made at the Agency's annual meeting.

Section 3: Auditor: The Agency shall annually appoint an Auditor in accordance with State law to prepare the annual audit and financial reports required to be prepared by the Agency. This appointment shall be made at the Agency's annual meeting.

Section 4: Chief Financial Officer: The Agency shall annually appoint a Chief Financial Officer.

The Chief Financial Officer shall:

- (a) Have the care and custody of all funds of the Agency and shall deposit the same in the name of the Agency in such bank or banks as the Agency may select.
- (b) Keep regular books of accounts showing receipts and expenditures.
- (c) Render to the Agency, at each regular meeting, a Budget Report and a summary of the financial condition of the Agency.
- (d) Sign checks of the Agency.

Section 5: Additional Personnel: The Agency may, from time to time, employ such personnel as it deems necessary to exercise its powers, duties and functions, as prescribed by the NYS Industrial Development Act, as amended, and all other laws of the State of New York applicable thereto. The selection and compensation of all personnel shall be determined by the Agency, subject to the laws of the State of New York.

Section 6: Defense and Indemnification of Officers and Employees: The benefits of Section 18 of the Public Officers Law of the State of New York relating to the defense and indemnification of officers and employees of public entities are conferred onto all persons who are employed by the IDA within the meaning of such law and the IDA shall be liable for the costs incurred under the provision of Section 18 of the Public Officers Law.

ARTICLE IV: MEETINGS

Section 1: Annual Meetings: The annual meeting of the Agency shall be held in January of each year.

Section 2: Regular Meetings: Regular meetings of the Agency will be called by the Executive Director, Chairman or by resolution of the Agency. Notice of all meetings shall be given to the local media.

Section 3: Special Meetings: The Chairman may, when he/she deems it desirable, and shall, upon the written request of two members of the Agency, call a special meeting of the Agency for the purpose of transacting any business designated in the call. The call for a special meeting may be delivered to each member of the Agency or may be mailed or e-mailed to the business or home address of each member of the Agency at least three (3) days prior to the date of such special meeting. Waivers of notice may be signed by any members failing to receive a proper notice.

Section 4: Quorum: At all meetings of the Agency, a majority of the members of the Agency shall constitute a quorum for the purpose of transacting business, provided that a smaller number may meet and adjourn to some other time or until the quorum is obtained.

Section 5: Order of Business: At the regular meetings of the Agency, the following shall be the order of business:

1. Attendance.
2. Call meeting to order.
3. Approve minutes of previous meeting.
4. Treasurer Report
5. Committee Reports.
6. Old Business.
7. New Business.
8. Other Business.
9. Close of Meeting.

Section 6: Manner of Voting:

- 1) The voting on all motions or resolutions coming before the Agency shall be by a call of yeas and nays and shall be entered into the minutes of such meeting. A majority of the total membership of the Agency shall approve all motions and resolutions.

Section 7: Open Meetings Law: All meetings shall be conducted in conformance with the NYS Open Meetings Law.

ARTICLE V: COMMITTEES:

Section 1: Audit Committee: The Chairman shall annually appoint at least three (3) independent Agency members to serve on the Audit Committee. Non-independent members may be appointed provided that independent members constitute a majority. The Audit Committee shall be responsible to:

- 1) Assure that the Agency fulfills its responsibilities for the Agency's internal and external audit process, the financial reporting process and the system of risk assessment and internal controls over financial reporting; and
- 2) Provide an avenue of communication between the independent auditor and Agency.

- 3) Recommend to the Agency the hiring of an independent auditor, establish compensation to be paid to the Auditor and provide direct oversight of the performance of the independent annual audit performed by the independent Auditor.

Section 2: Governance Committee: The Chairman shall annually appoint at least three (3) independent Agency members to serve on the Governance Committee. Non-independent members may be appointed provided that independent members constitute a majority. The Governance Committee shall be responsible to:

- 1) Keep the Agency informed of current best practices in corporate governance.
- 2) Review and update the Agency's governance principles and practices; and
- 3) Advising the Fulton County Board of Supervisors on the skills, qualities and professional or educational experiences necessary to be effective Agency members.
- 4) Examine ethical and conflict of interest issues, perform Agency self-evaluations and recommend Bylaws or changes to them.

Section 3: Finance Committee: The Chairman shall annually appoint at least three (3) independent members to serve on the Finance Committee. Non-independent members may be appointed provided that independent members constitute a majority. The Finance Committee shall be responsible to:

- 1) Review all proposals involving the issuance of debt by the Agency.
- 2) Prepare and submit recommendations to the Agency Board of Directors regarding the issuance of any debt by the Agency.
- 3) Prepare and submit to the Agency Board of Directors proposed policies regarding the issuance of debt by the Agency.

Section 4: Other: The Chairman or Agency shall create other Committees as deemed necessary and appropriate. The Chairman shall appoint members to serve on all such Committees.

ARTICLE VI: ANNUAL REPORT

Section 1: Annual Report: The Agency shall prepare an Annual Report and submit said report to the Fulton County Board of Supervisors, Fulton County Treasurer and NYS Authority Budget Office by March 30th of each year.

Section 2: Annual Report Contents:

- 1) Agency's operations and accomplishments.
- 2) Agency's receipts and disbursements, or revenues and expenses, during such fiscal year.
- 3) Agency's assets and liabilities at the end of its fiscal year including the status of reserve, depreciation, special or other funds and including the receipts and payments of these funds.
- 4) A schedule of its bonds and notes outstanding at the end of its fiscal year, together with a statement of the amounts redeemed and incurred during such fiscal year as part of a schedule of debt issuance.
- 5) A compensation schedule salary, compensation, allowance and/or benefits provided to any officer, director or employee in a decision making or managerial position of such Agency whose salary is in excess of one hundred thousand dollars.
- 6) The projects undertaken by the Agency during the past year.
- 7) Listing of (i) all real property of the Agency having an estimated fair market value in excess of \$15,000 that the authority intends to dispose of; (ii) all such property held by the Authority at the end of the period covered by the report; and (iii) all such property disposed of during such period.
- 8) Agency's Code of Ethics; and an assessment of the effectiveness of its internal control structure and procedures.

ARTICLE VII: BUDGET

Section 1: The Agency shall submit to the Chairman and Clerk of the Fulton County Board of Supervisors, the Fulton County Treasurer and the Authority Budget Office a budget report containing, for operations and capital construction, actual receipts and expenditures of last completed fiscal year, estimated receipts and expenditures for the next fiscal year and the current fiscal year.

Section 2: The Budget Report shall be submitted at least sixty (60) days before the start of the Agency's fiscal year.

ARTICLE VIII: INDEPENDENT AUDIT

Section 1: The Agency shall have annually prepared an Independent Audit Report, a management letter and other external examination of the books and accounts of the Agency.

Section 2: The Independent Auditor utilized by the Agency shall be subject to the following restrictions:

- (a) The same lead (or coordinating) audit partner cannot provide auditing services to the Agency for more than five (5) consecutive years.
- (b) The independent accounting firm cannot perform certain non-audit services to the Agency contemporaneously with the audit without written approval from the Audit Committee of the Agency.
- (c) The Accounting firm cannot perform auditing services for the Agency if any officer of the Agency was employed by that firm and participated in any capacity in the audit of the Agency during the one-year period preceding initiation of the annual audit.

Section 3: The independent auditors must timely report to the Audit Committee of the Agency the following:

- (a) All critical accounting policies and practices to be used.
- (b) Any alternative treatments of financial information that have been discussed with Agency officials, ramifications of the use of such alternative treatments and the treatment preferred by the accounting firm.
- (c) Other material written communications between the accounting firm and Agency management.

ARTICLE IX: MISCELLANEOUS

Section 1: Conflicts of Interest: Each member of the Agency will certify annually that he is not involved in any activities which constitute conflict of interest, illegalities, or are contrary to high ethical behavior. In return, the Chairperson, in cooperation with the Legal Counsel, will annually certify that there is in full force and effect insurance to protect the Agency and individual members thereof, from legal action, which might be brought against them because of their activities related to the Agency.

Section 2: Annual Financial Disclosure: Each member of the Agency shall annually complete and file with the Fulton County Board of Supervisors a Code of Ethics Review form in compliance with Fulton County's Ethics Law.

ARTICLE X: AMENDMENTS:

Section 1: Amendments to Bylaws: The bylaws of the Agency shall be amended only with the approval of at least a majority of all the members of the Agency at a regular or a special meeting, but no such amendment shall be adopted unless at least a seven day written notice thereof has been previously given to all members of the Agency.

Adopted: March 15, 2007
 September 3, 2010

SCHEDULE 12

**MATERIAL CHANGES IN
OPERATIONS AND PROGRAMS**

- None

SCHEDULE 13

FOUR-YEAR FINANCIAL PLAN

Budget Report for Fulton County Industrial Development Agency

Fiscal Year Ending: 12/31/2020

Run Date: 11/12/2019
 Status: CERTIFIED
 Certified Date: 10/17/2019

Budget & Financial Plan

Budgeted Revenues, Expenditures, And Changes in Current Net Assets

	Last Year (Actual) 2018	Current Year (Estimated) 2019	Next Year (Adopted) 2020	Proposed 2021	Proposed 2022	Proposed 2023
REVENUE & FINANCIAL SOURCES						
Operating Revenues						
Charges For Services	\$37,691.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Rentals & Financing Income	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Operating Revenues	\$35,293.00	\$111,700.00	\$171,700.00	\$171,700.00	\$171,700.00	\$171,700.00
Non-Operating Revenues						
Investment Earnings	\$528.00	\$300.00	\$1,200.00	\$1,200.00	\$1,200.00	\$1,200.00
State Subsidies / Grants	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Federal Subsidies / Grants	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Municipal Subsidies / Grants	\$0.00	\$15,000.00	\$10,000.00	\$10,000.00	\$10,000.00	\$10,000.00
Public Authority Subsidies	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Non-Operating Revenues	\$0.00	\$170,483.04	\$94,910.00	\$94,910.00	\$94,910.00	\$0.00
Proceeds From The Issuance Of Debt	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Revenues & Financing Sources	\$73,512.00	\$297,483.04	\$277,810.00	\$277,810.00	\$277,810.00	\$277,810.00
EXPENDITURES						
Operating Expenditures						
Salaries And Wages	\$22,369.00	\$26,651.04	\$28,000.00	\$28,000.00	\$28,000.00	\$28,000.00
Other Employee Benefits	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Professional Services Contracts	\$25,454.00	\$21,250.00	\$28,250.00	\$28,250.00	\$28,250.00	\$28,250.00
Supplies And Materials	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Operating Expenditures	\$77,834.00	\$249,582.00	\$221,560.00	\$221,560.00	\$221,560.00	\$221,560.00
Non-Operating Expenditures						
Payment Of Principal On Bonds And Financing Arrangements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Interest And Other Financing Charges	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Subsidies To Other Public Authorities	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Capital Asset Outlay	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Grants And Donations	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Non-Operating Expenditures	\$1,350.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Expenditures	\$127,017.00	\$297,483.04	\$277,810.00	\$277,810.00	\$277,810.00	\$277,810.00
Excess (Deficiency) Of Revenues And Capital Contributions Over Expenditures	(\$53,505.00)	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

SCHEDULE 14

PERFORMANCE EVALUATIONS

FULTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Policy No. 10-05

2019 IDA Board Performance Questionnaire

Criteria	Agree	Somewhat Agree	Somewhat Disagree	Disagree
Board members have a shared understanding of the mission and purpose of the IDA.	4			
The policies, practices and decisions of the IDA are consistent with this mission.	4			
Board members comprehend their role and fiduciary responsibilities and hold themselves and each other to these responsibilities.	4			
The Board has adopted policies, by-laws, and practices for the effective governance, management and operation of the IDA and reviews these annually.	4			
The Board sets clear and measurable performance goals for the Authority that contribute to accomplishing its mission.	2	2		
Board decisions are arrived at through independent judgment and deliberation, free of political influence, pressure or self-interest.	4			
Board members communicate effectively with the Executive Director and are well informed on the status of all important issues.	4			
Board members are knowledgeable of IDA programs, financial statements, reporting requirements, and other transactions.	4			
The Board meets to review and approve all documents and reports prior to public release and is confident that the information being presented is accurate and complete.	4			
The Board knows the statutory obligations of the IDA and if the IDA is in compliance with state law.	4			
Board and Committee meetings facilitate open, deliberate and thorough discussions and the active participation of members.	4			
Board members have sufficient opportunity to research, discuss, question and prepare before decisions are made and votes taken.	4			
Board members feel empowered to delay votes, defer agenda items or table actions if they feel additional information or discussion is required.	4			
The Board exercises appropriate oversight of Executive Director, including setting performance expectations and reviewing performance annually.	3	1		
The Board has identified the areas of most risk to the IDA and works with management to implement risk mitigation strategies before problems occur.	4			
Board members demonstrate leadership and vision and work respectfully with each other.	4			

SCHEDULE 15

ASSETS AND SERVICES BOUGHT OR SOLD WITHOUT COMPETITIVE BIDDING

1. **Auditing Services:**

The IDA Board entered into an Agreement with the West & Company, Gloversville, NY to provide auditing services in 2019. Since auditing services are professional services, they were acquired without competitive bidding. The value of the services was \$9,250.

2. **Legal Services:**

The IDA Board entered into an Agreement with Fitzgerald, Morris, Baker, Firth, Glens Falls, NY to provide legal services in 2019. Since these legal services are professional services, they were acquired without competitive bidding. The value of these services was \$8,000.

3. **Desktop Environmental Assessment and Preliminary Basemap for the Tryon Development Area:**

The IDA Board entered into an Agreement with Environmental Design Partnership to provide engineering services in 2019. Since these engineering services are professional services, they were acquired without competitive bidding. The value of these services was \$6,000.

4. **IDA Website:**

The IDA Board entered into an Agreement with Emery Designs to provide computer services in 2019. Since these computer services are professional services, they were acquired without competitive bidding. The value of these services was \$10,000.

5. **Whittaker Appraisal:**

The IDA Board entered into an Agreement with Whittaker Appraisal Group, Inc. to provide appraisal services in 2019. Since these appraisal services are professional services, they were acquired without competitive bidding. The value of these services was \$500.

SCHEDULE 16

PENDING LITIGATION

- None