

**TOWN OF ISLIP INDUSTRIAL
DEVELOPMENT AGENCY**

AUDITED FINANCIAL STATEMENTS

Year Ended December 31, 2016

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INDEPENDENT AUDITORS' REPORT

To the Agency Board
Town of Islip Industrial Development Agency
Islip, New York

Report on Financial Statements

We have audited the accompanying financial statements of the business-type activities of the Town of Islip Industrial Development Agency (the "Agency"), a component unit of the Town of Islip, New York, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Agency's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of the 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 opinion.

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Agency, as of December 31, 2016, and the respective changes in financial position, and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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 Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Agency taken as a whole. The accompanying schedule of bond, notes and leases is presented for purposes of additional analysis by the Authority Budget Office and is not a required part of the financial statements. The schedule of bond, notes and leases is the responsibility of management and has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2017, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of the audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Albert Vignio, Zach & Company P.C.

Hauppauge, New York
June 19, 2017

REQUIRED SUPPLEMENTARY INFORMATION
Management's Discussion and Analysis

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2016

This section presents management's analysis of the Town of Islip Industrial Development Agency's (the "Agency"), a component unit of the Town of Islip, New York (the "Town") financial condition and activity for the year ended December 31, 2016. Please read this information in conjunction with the financial statements.

The Agency is a component unit of the Town of Islip and its personnel are employees of the Town. All salaries and fringe benefits for Agency personnel are paid by the Town. Additionally, office space is provided to the Agency by the Town. The Agency has reimbursed the Town the approximate cost for Agency salaries, fringe benefits, and rent.

OVERVIEW OF THE FINANCIAL STATEMENTS

Management's Discussion and Analysis ("MD&A") serves as an introduction to the basic financial statements and supplementary information. The MD&A represents management's discussion and analysis of the Agency's financial condition and performance. Summary financial statement data, key financial and operational indicators used in the Agency's strategic plan, operating plan, bond covenants, and other management tools were used for this analysis.

The financial statements report information about the Agency, which is an enterprise-type fund. The Agency applies full accrual accounting methods as used by similar business activities in the private sector. The statements offer short and long-term financial information.

The financial statements include the statement of net position, statement of revenues, expenses, and changes in net position, statement of cash flows, and notes to the financial statements. The statement of net position includes all of the Agency's assets and liabilities, and provides information about the nature and amount of investments.

The statement of revenues, expenses, and changes in net position presents the results of the Agency's activities over the course of the year and information as to how the net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. This statement also provides information about whether the Agency has successfully recovered its costs through its user fees and other charges, profitability and credit worthiness.

The statement of cash flows presents changes in cash and cash equivalents resulting from operating, investing and financing activities.

The notes to the financial statements provide required disclosures and other information that is essential to a full understanding of material data provided in the statements. The notes present information about the Agency's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies, and subsequent events, if any.

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2016

FINANCIAL ANALYSIS OF THE AGENCY

One of the most important objectives of the financial analysis is to determine if the Agency, as a whole, is better or worse off as a result of the year's activities. The statement of net position and the statement of revenues, expenses, and changes in net position provide useful information in this regard. The statements report the net position of the Agency and changes in these net positions. The amount of net position, the difference between total assets and liabilities, is a significant measure of the financial health or financial position of the Agency. Over time, increases or decreases in the Agency's net position is one indicator of whether its financial health is improving or deteriorating. However, other non-financial factors, such as changes in economic conditions, population growth, zoning, and new government legislation or changes to existing government legislation should be considered in evaluating the financial condition of the Agency.

The following comparative condensed financial statements and other selected information serve as the financial data and indicators for management's monitoring and planning.

Net Position

A summary of the Agency's condensed statements of net position at December 31st is presented as follows:

	2016	2015
Assets		
Current and other assets	\$ 3,418,116	\$ 3,735,421
Capital assets	19,574	21,877
Total Assets	3,437,690	3,757,298
Liabilities		
Current and other liabilities	400,294	584,329
Total Liabilities	400,294	584,329
Net Position		
Net investment in capital assets	19,574	21,877
Unrestricted	3,017,822	3,151,092
Total Net Position	\$ 3,037,396	\$ 3,172,969

Total assets as of December 31, 2016 were \$3,437,690, which exceeded total liabilities by \$3,037,396 (i.e. net position.) Of the Agency's net position, \$19,574 was net investment in capital assets, and \$3,017,822 was unrestricted, which is available to support operations. Total assets decreased by \$319,608 between December 31, 2016 and 2015 primarily due to the decrease in cash as compared to prior year. Total liabilities decreased \$184,035 primarily due to a decrease in amount due to other governments. The net position decreased by \$135,573 for the current year.

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2016

FINANCIAL ANALYSIS OF THE AGENCY (continued)

Operating Results

The Agency's condensed statements of revenues, expenses and changes in net position at December 31st are presented as follows:

	<u>2016</u>	<u>2015</u>
Operating Revenues		
Charges for services	\$ 428,841	\$ 847,446
Other operating revenues	2,500	4,050
Total Operating Revenues	<u>431,341</u>	<u>851,496</u>
Operating Expenses		
Contractual goods and services	574,156	481,283
Depreciation	2,303	1,151
Total Operating Expenses	<u>576,459</u>	<u>482,434</u>
Operating (Expense) Income	<u>(145,118)</u>	<u>369,062</u>
Non-Operating Revenue	<u>9,545</u>	<u>7,456</u>
Change in Net Position	(135,573)	376,518
Net Position at Beginning of Year	<u>3,172,969</u>	<u>2,796,451</u>
Net Position at End of Year	<u>\$ 3,037,396</u>	<u>\$ 3,172,969</u>

The Agency's revenues decreased \$420,155 from \$851,496 in 2015 to \$431,341 in 2016. The decrease is due to a decrease in number of Agency project closings as compared to the prior year. The Agency's expenses increased \$94,025 from \$482,434 in 2015 to \$576,459 in 2016. The increase in expense is mainly due to increased administration and professional fees during 2016.

ECONOMIC FACTORS AND NEXT YEAR'S PLAN

The overall mission of the Agency is to promote, attract and encourage well planned economic growth in the Town. The Agency focuses its attention and resources on "wealth generation" companies. The Agency provides a variety of tax incentives to the above three categories to further the public policy objectives of raising the industrial tax base, stabilizing property taxes, and increasing employment opportunities for Town residents.

The Agency has a very aggressive marketing strategy that concentrates on business retention and expansion within the Town of Islip. A secondary focus is placed on attracting new businesses from outside the Town of Islip. The marketing activities include site visits to strategic industries, radio and television ads, print ads, brochures and direct mailing, and extensive networking with business professionals. This comprehensive marketing plan is designed to brand Islip Town as a good place to do business, and to inform the business public of the various economic incentives, including the Agency, that are available to them.

**TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
Year Ended December 31, 2016**

ECONOMIC FACTORS AND NEXT YEAR'S PLAN (continued)

The Agency plans to continue and expand its assistance to the businesses located in the Town of Islip through:

- Federally tax-exempt and taxable revenue bonds
- Local property tax abatement and exemptions
- Sales tax exemptions for construction materials and equipment
- Mortgage recording tax exemptions

CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our readers with a general overview of the Agency's finances and to show the Agency's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town of Islip Industrial Development Agency at 40 Nassau Avenue, Islip, NY 11751.

**BASIC FINANCIAL
STATEMENTS**

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY
STATEMENT OF NET POSITION
December 31, 2016

ASSETS

Current Assets:

Cash and cash equivalents	\$ 3,418,116
Total Current Assets	<u>3,418,116</u>

Non-current Assets:

Depreciable capital assets, net of depreciation	<u>19,574</u>
Total Assets	<u>3,437,690</u>

LIABILITIES

Current Liabilities:

Accounts payable and accrued expenses	4,627
Due to primary government	52,583
Due to other governments	<u>343,084</u>
Total Current Liabilities	<u>400,294</u>

NET POSITION

Net investment in capital assets	19,574
Unrestricted	<u>3,017,822</u>
Total Net Position	<u>\$ 3,037,396</u>

See notes to the financial statements.

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
Year Ended December 31, 2016

OPERATING REVENUES:	
Charges for services	\$ 428,841
Other operating revenues	<u>2,500</u>
Total Operating Revenues	<u>431,341</u>
OPERATING EXPENSES:	
Administration	333,794
Advertising and promotion	125,253
Dues and subscriptions	3,864
Depreciation	2,303
Professional fees	99,434
Office Expense	583
Travel and Conferences	<u>11,228</u>
Total Operating Expenses	<u>576,459</u>
Loss from Operations	<u>(145,118)</u>
NON-OPERATING REVENUES:	
Interest and investment income	<u>9,545</u>
Change in Net Position	(135,573)
Net Position at Beginning of Year	<u>3,172,969</u>
Net Position at End of Year	<u><u>\$ 3,037,396</u></u>

See notes to the financial statements.

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY
STATEMENT OF CASH FLOWS
Year Ended December 31, 2016

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from customers, clients and tenants	\$ 432,341
Cash payments for contractual expenses	<u>(524,438)</u>
Net Cash Used by Operating Activities	<u>(92,097)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Cash received from payments in lieu of taxes	16,945,696
Cash paid for payments in lieu of taxes	<u>(17,167,340)</u>
Net Cash Used by Non-capital Financing Activities	<u>(221,644)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income	<u>9,545</u>
Net Cash Provided by Investing Activities	<u>9,545</u>

Net Decrease in Cash (304,196)

Cash and Cash Equivalents at Beginning of Year	<u>3,722,312</u>
Cash and Cash Equivalents at End of Year	<u>\$ 3,418,116</u>

**RECONCILIATION OF LOSS FROM OPERATING TO NET CASH
USED BY OPERATING ACTIVITIES:**

Loss from operations	\$ (145,118)
Adjustments to reconcile operating income to net cash used by operating activities:	
Depreciation expense	2,303
Decrease in assets	
Due from other governments	1,000
Increase (Decrease) in liabilities	
Accounts payable and accrued expenses	(2,865)
Due to primary government	<u>52,583</u>
Net Cash Used by Operating Activities	<u>\$ (92,097)</u>

See notes to the financial statements.

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2016

A. Summary of Significant Accounting Policies

The Town of Islip Industrial Development Agency (the "Agency"), was created as a New York State public benefit corporation. The Agency was established in 1974 pursuant to Code Section 898-b of the New York State General Municipal Law. The Agency Board is the legislative body responsible for overall operations. The Agency Board consists of the Board members of the Town of Islip (the "Town"). The Agency Board appoints the Executive Director of the Agency who is the Chief Executive Officer. The Agency's personnel are employees of the Town. All salaries and related benefits are the responsibility of the Town. The Agency is a quasi-governmental, tax-exempt agency that was created to promote, develop, encourage and assist in acquiring, developing and equipping various business facilities, thereby advancing the job opportunities, general prosperity and economic welfare of the people of the Town of Islip, New York. It raises funds to accomplish this purpose by issuing negotiable bonds and notes. The Agency provides companies with the following incentives:

- Federally tax-exempt and taxable revenue bonds
- Local property tax abatement and exemptions
- Sales tax exemptions for construction materials and equipment
- Mortgage recording tax exemptions

The financial statements of the Agency have been prepared in conformity with generally accepted accounting principles in the United States, as prescribed by the Governmental Accounting Standards Board ("GASB"). GASB is the primary standard-setting body for establishing governmental accounting and financial reporting principles.

The Agency's more significant accounting policies are described below.

1. Financial Reporting

The financial reporting entity includes all functions and activities over which the elected officials of the Town of Islip exercise responsibility. No other governmental organization has been included or excluded from the reporting entity. Accordingly, the Agency has been determined to be a component unit of the Town of Islip.

2. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The Agency uses the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2016

A. Summary of Significant Accounting Policies (continued)

2. Measurement Focus/Basis of Accounting (continued)

The financial statements include the statement of net position, statement of revenues, expenses, and changes in net position, and statement of cash flows.

3. Cash and Cash Equivalents

For purposes of reporting the statement of cash flows, cash equivalents are defined as short-term highly liquid investments. The statement of cash flows presented uses the direct method.

4. Capital Assets

Capital assets purchased or acquired with an original cost of \$5,000 or more and an estimated useful life in excess of one year, are accounted for as capital assets. All capital assets are valued at historical cost or estimated historical cost if actual is unavailable, except donated capital assets, which are recorded at their estimated fair market value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided over the assets' estimated useful lives using the straight-line method of depreciation.

The range of estimated useful lives by type of asset is as follows:

Machinery and equipment	3-10 years
Software	3 years

5. Due To Primary Government

Amounts due to primary government are for services provided to the Agency by the Town of Islip.

6. Due To Other Governments

Amounts due to other governments are for recapture and PILOT payments received prior to year end payable to other governments.

7. Net Position Classification

In the financial statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets — Consists of capital assets including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2016

A. Summary of Significant Accounting Policies (continued)

7. Net Position Classification (continued)

- b. Restricted net position — consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Generally, a liability relates to restricted assets if the asset results from a resource flow that also results in the recognition of a liability or if the liability will be liquidated with the restricted assets reported. Net position should be reported as restricted when constraints placed on net position use are either (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position — is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of the restricted component of net position.

When both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first, then unrestricted resources as needed.

8. Revenue Recognition

The Agency's primary source of operating revenue is from bond issuance and lease fees, which are computed as a percentage of the total project. Fees are recorded as income when earned at the time of closing on the sale of bonds and straight lease agreements.

9. Advertising

The Agency follows the policy of charging the costs of advertising to expense as incurred. Advertising expense for the year ended December 31, 2016 was approximately \$125,000.

10. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

11. Subsequent Events

Management has evaluated subsequent events through the date of the report, which is the date the financial statements were available to be issued.

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2016

B. Cash and Cash Equivalents

Cash and cash equivalents consist of funds deposited in demand accounts and certificates of deposit with maturities of less than three months.

The Agency's investments are governed by a formal investment policy. The Agency's monies must be deposited in FDIC-insured commercial banks or trust companies located within New York State.

The Agency is authorized to use certificates of deposit and money market deposit accounts. Permissible investments include certificates of deposits, obligations of the United States, obligations of the State of New York, repurchase agreements, and obligations of agencies of the federal government where principal and interest are guaranteed by the United States.

Collateral is required for demand deposits and time deposits accounts at 100% of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral include obligations of the United States and its agencies and obligations of the State and its municipalities and school districts. The Agency's collateral agreements are based on the Agency's available balance.

Custodial Credit Risk – Deposits / Investments – Custodial credit risk for deposits exists when, in the event of the failure of a depository financial institution, a government may be unable to recover deposits or recover collateral securities that are in possession of an outside agency. Custodial credit risk for investments exists when, in the event of the failure of the counterparty, a government will not be able to recover the value of its investments or collateral securities that are in possession of an outside party.

Deposits are required to be disclosed as exposed to custodial credit risk if they are not covered by depository insurance, and the deposits are either:

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

At December 31, 2016, the Agency's cash and cash equivalents have been combined with other funds in the Town's consolidated cash account, which was insured by the Federal Depository Insurance Corporation or collateralized by securities held in the pledging bank's trust department in the Town's name.

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
 Year Ended December 31, 2016

C. Capital Assets

Capital asset activity for the year ended December 31, 2016 is as follows:

	Balance 01/01/16	Additions	Deletions	Balance 12/31/16
Depreciable assets:				
Machinery and equipment	\$ 29,706			\$ 29,706
Software	15,000			15,000
Total depreciable capital assets	<u>44,706</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>44,706</u>
Accumulated depreciation:				
Machinery and equipment	7,829	2,303		10,132
Software	15,000			15,000
Total accumulated depreciation	<u>\$ 22,829</u>	<u>\$ 2,303</u>	<u>\$ -0-</u>	<u>25,132</u>
Total net depreciable assets				<u>\$ 19,574</u>

Depreciation expense totaled \$2,303 for the year ending December 31, 2016.

The Agency evaluates capital assets for prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. The Agency's policy is to record an impairment loss in the period when the Agency determines that the carrying amount of the asset will not be recoverable. At December 31, 2016, the Agency has not recorded any such impairment losses.

D. Revenues

Agency Fee Structure

The Agency collects one-time administration fees from the issuance of taxable bonds, tax exempt bonds and straight-lease transactions as follows:

- Taxable and Tax-Exempt Bond Issues - Six-tenths of one percent (.6%) of the final bond amount.
- Straight-Lease Transactions - Six-tenths of one percent (.6%) of the projected total costs.

The Agency collects other fees as follows:

- Application Fee – An application for Agency assistance must be accompanied by a non-refundable fee of \$1,000 plus a \$500 fee for Town of Islip review of Environmental Assessment Form as required by the State Environmental Quality Review Act (SEQRA).
- Processing Fee – During the course of Agency ownership/involvement, the Agency may occasionally be required, by the company, to consent to a variety of items, i.e. pre-payment of bonds, second mortgages, additional secured financing, etc. The Agency will charge a \$500 processing fee for each of these requests.

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2016

D. Revenues (continued)

Agency Fee Structure (continued)

- Assignments and Assumptions – Occasionally, the Agency is asked to transfer benefits that were assigned to the original company, i.e. PILOT or mortgage recording tax benefits, to a different company typically upon a sale of the Agency property. The new company often wishes to continue Agency involvement with the property in order to retain Agency incentives. The Agency will charge a \$1,500 fee for each of these transactions.
- PILOT Extensions/Modifications – Occasionally, the Agency is asked to extend or modify an existing Payment in Lieu of Taxes Agreement (PILOT). A .6% fee will be measured against the projected increase of the PILOT benefit.
- Annual Administrative Fee – An Annual Administrative Fee of \$1,000 will be charged to all projects to cover the cost of all reporting and monitoring of the transactions.
- Agency and Bond/Transaction Counseling Fees – The Agency counsel bills all time spent related to the Agency matters at \$250 per hour. Bond/Transaction counseling fee is negotiated separately.

E. Payments in Lieu of Taxes

The Agency receives payments in lieu of taxes (PILOT) from the borrowing companies. The Agency follows the Suffolk County Tax Act for collection of PILOT payments. PILOT payments are due in two equal installments; the first half is payable on December 1st preceding the year for which the same is levied and the second half is payable May 10th, with the first half payable without penalty to January 10th and the second half payable without penalty to May 31st. Penalties and interest are charged on late payments.

Receipts of PILOT payments are deposited into the general operating bank account and subsequently are disbursed to the appropriate taxing jurisdictions. PILOT payments are not considered revenues of the Agency.

F. Conduit Debt Obligations, Industrial Revenue Bonds and Note Transactions

The Agency, has at times, issued Industrial Revenue Bonds to provide financial assistance to private sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the Agency, the Town, nor any political subdivision thereof, is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2016, there was one series of Revenue Bonds outstanding, with an aggregate principal amount payable of \$15,275,000.

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
Year Ended December 31, 2016

G. Lease Commitments

The Agency assists private-sector companies (the “companies”) with the acquisition of industrial and commercial facilities deemed to be in the public interest. Upon closing on the properties, the Agency takes title as a nominal owner (which allows the Agency to pass through tax and other incentives) and the companies take title as beneficial owners. The Agency then leases the properties to the companies for a negligible amount, if any. The lease terms usually expire in conjunction with the payments in lieu of taxes of the companies. The leasing transactions are not recorded in the accompanying financial statements of the Agency.

As of December 31, 2016, there were 111 leases outstanding, at \$1 or less each per year.

H. Litigation

The Agency is subject to litigation in the ordinary conduct of its affairs. Management does not believe, however, that such litigation, individually or in the aggregate, is likely to have a material adverse effect on the financial condition of the Agency.

I. Related Party Transactions

The Agency is a component unit of the Town and its personnel are employees of the Town. All salaries and fringe benefits for Agency personnel are paid by the Town. Additionally, the Agency rents the office space from the Town. The approximate total value of salary and fringe benefits attributable to Town employees as a percentage of time spent on Agency activities was \$322,214 and the estimated fair market rental value of office space provided to the Agency by the Town was \$11,580 for the year ended December 31, 2016. The total value of \$333,794 is reported as administrative expenses on the financial statements. The Agency reimbursed the Town a total of \$281,211 in 2016. The Agency reported a total of \$52,583 in due to primary government at December 31, 2016.

J. New Pronouncements

GASB has issued Statement No. 82 “Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73”. The objective of this Statement is to address certain issues that have been raised with respect to Statements No. 67, Financial Reporting for Pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. Specifically, this Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of the new statement become effective for the Agency for the year ended December 31, 2017.

The Agency is currently evaluating the impact of the above pronouncements.

OTHER SUPPLEMENTARY INFORMATION

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF BONDS, NOTES AND LEASES
December 31, 2016

Project Code	Bond or Note Project Name	Total Project Amount	Is the applicant a Not for Profit corporation?	Applicant Name and Address	Estimated Amount of Tax Exemptions	Purpose for which Bond or Note was Issued	Date of Issue	Interest Rate	Year Financial Assistance is Planned to End	Federal Tax Status of Bonds	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained
4703-01-08A	Court Plaza Senior Apts.	\$ 15,000,000	N	Court Plaza Senior Apts. 1 Hoppin Dr. Central Islip, NY 11772	\$ 738,009	NYS Tax Credit Senior Housing in Empire Zone	12/29/2001	5.70%	2017	Tax Exempt	4	-0-
4703-99-03A	Atria Assisted Living	16,000,000	N	Forest City Daily Housing 53 Ocean Ave. Bay Shore, NY 11706	-0-	Assisted Living	07/22/1999	Variable	2029	Tax Exempt	40	-0-
4703-06-01A	U.S. Alliance Paper/Equipment	3,200,000	N	U.S. Alliance Paper/Equipment 101 Heartland Blvd. Edgewood, NY 11717	-0-	Paper Manufacturer/Equipment Only	02/27/2007	5.23%	2020	Tax Exempt	-0-	-0-
4703-09-02A	U.S. Alliance Paper/Equipment	2,800,000	N	U.S. Alliance Paper/Equipment 101 Heartland Blvd. Edgewood, NY 11717	-0-	Paper Manufacturer/Equipment Only	11/17/2009	6.15% - 8.50%	2017	Tax Exempt	-0-	-0-
4703-12-07A	Engle Burman/ Sayville Assisted	40,900,000	Y	Engle Burman 67 Clinton Rd. Garden City, NY 11530	776,125	Assisted Living Facility	11/27/2012	6.50%	2025	Tax Exempt	55	-0-

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TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF BONDS, NOTES AND LEASES
 December 31, 2016

Project Code	Lease Project Name	Is the applicant a Not for Profit corporation?	Applicant Name and Address	Estimated Amount of Tax Exemptions	Purpose for which Each Transaction was Made	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained
4703/06/04A	Constance Foods/Aerotech	N	Constance Foods/Aerotech 545 Johnson Ave. Bohemia, NY 11716	\$ 295,248	Food Mfr. & Distribution for 7 Eleven Corp.	288	97
4703-00-07	NYSARC/Andreassi Assoc.	Y	NYSARC/Andreassi Assoc. 45 Crossway East. Bohemia, NY 11716	134,552	NFP Training and Educational Center for AHRC	25	-0-
4703-00-09A	Courthouse Corporate Ctr.	N	Courthouse Corporate Ctr. 320 Carleton Ave. Central Islip, NY 11722	217,361	Class A Office in Empire Zone	3	-0-
4703-01-05A	22-50 Jackson Ave. Associates	N	22-50 Jackson Ave. Associates One Executive Dr. Edgewood, NY 11717	1,126,938	Multi year, mixed use development	-0-	13
4703-01-10A	Broadway West	N	Broadway West 75 Springfield Rd. Brentwood, NY 11717	191,295	Senior Housing	-0-	-0-
4703-02-08A	Positive Promotions	N	Positive Promotions 15 Gilpin Ave. Hauppauge, NY 11788	241,210	Mfr. Of Printed Information & Promotional Materials	75	275
4703-02-09A	Shafter St./Roux Assoc.	N	Shafter St./Roux Assoc. 209 Shafter St. Islandia, NY 11749	-0-	Professional Office Bldg./Engineers	14	65
4703-02-10A	Atlantic Veterinary Emergency	N	Atlantic Veterinary Emergency 75 Sunrise Hwy. West Islip, NY 11795	-0-	Emergency Vet Services	3	8
4703-02-11A	Branford Hall/Aerotech	N	Branford Hall/Aerotech 565 Johnson Ave. Bohemia, NY 11716	-0-	Career Training Facility	15	31
4703-03-03A	SKA Machining/ Tri-Start Electronics	N	Tri-Start Electronics/CVD RE 979 Marconi Ave. Ronkonkoma, NY 11779	-0-	Distributor of Electronic Components	10	28
4703-03-05A	Edgewood Land	N	Edgewood Land Wilshire Blvd. Edgewood, NY 11717	320,526	Industrial Park Infrastructure	-0-	13

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TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF BONDS, NOTES AND LEASES
 December 31, 2016

Project Code	Lease Project Name	Is the applicant a Not for Profit corporation?	Applicant Name and Address	Estimated Amount of Tax Exemptions	Purpose for which Each Transaction was Made	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained
4703-03-09A	J. Kings Food Service II	N	J. Kings Food Service II 700 Furrows Rd. Holbrook, NY 11741	\$ -0-	Food Distributor/Expansion	40	250
4703-03-10A	Jetro Cash & Carry II	N	Jetro Cash & Carry II 1335 Lakeland Ave. Bohemia, NY 11716	-0-	Commercial Food/Rest. Supplies/Expansion	6	58
4703-04-01A	Davis & Hersh LLP	N	Davis & Hersh LLP 1345 Motor Pkwy. Islandia, NY 11749	-0-	Professional Office	17	17
4703-04-03A	Harry Krantz Company	N	Harry Krantz Company 50 Heartland Blvd. Edgewood, NY 11717	-0-	Distributor of Electronic Components	45	75
4703-04-04A	EDO Corp./Aerotech	N	EDO Corp./Aerotech 585 Johnson Ave. Bohemia, NY 11716	99,168	Antenna Mfr. Facility/Defense	33	167
4703-04-05A	Alcan Packaging	N	Alcan Packaging 10 Wilshire Blvd. Edgewood, NY 11717	301,568	Mfr. Of Flexible Packaging Roll Labels	100	-0-
4703-04-06A	NBTY/Cartwright Loop/Exp.	N	NBTY/Cartwright Loop/Exp. 10 Vitamin Dr. Bayport, NY 11705	1,528	Expansion of Gelcap Mfr. Fac.	-0-	-0-
4703-04-07A	Glenn Wayne Bakery	N	Glenn Wayne Bakery 1800 Artic Ave. Bohemia, NY 11716	10,568	Industrial Bakery (Formerly CraftTech)	13	59
4703-05-03A	267 Carleton Ave. Associates	N	267 Carleton Ave. Associates 267 Carleton Ave. Central Islip, NY 11722	136,350	Professional Office Empire Zone	9	29
4703-05-04A	Rothco II	N	Rothco II 3015 Veterans Mem. Hwy. Ronkonkoma, NY 11779	-0-	Distributor/Expansion	12	94
4703-05-05A	Whitson's Food Services	N	Whitson's Food Services 1800 Motor Pkwy. Islandia, NY 11749	2,211	Mfr. Of Delivered Meals	40	114

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TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF BONDS, NOTES AND LEASES
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4703-05-09A	Industrial Road & Drainage	N	Industrial Road & Drainage Prime Pl. Hauppauge, NY 11788	\$ -0-	Road & Drainage Infrastructure for Ind. Park	-0-	-0-
4703-06-02A	TII Network Technologies	N	TII Network Technologies 141 Rodeo Dr. Brentwood, NY 11717	10,750	Mfr. Of Surge Protection Devices	50	46
4703-06-03A	Old Nichols Road Group	N	Old Nichols Road Group 3690 Expressway Dr. So. Islandia, NY 11749	56,455	Professional Office Bldg. Housing 2 Law Firms	16	34
4703-06-06A	A.G. Metropolitan/Feil Corp.	N	A.G. Metropolitan 3500 Sunrise Hwy. Great River, NY 11739	926,557	Office Complex	900	500
4703-07-01A	Seal Dynamics/Prime 11 East	N	Seal Dynamics/Prime 11 East 600 Prime Pl. Hauppauge, NY 11788	21,811	Design & Distribution of Mechanical and Electrical Components for Airlines	7	75
4703-07-02A	Heartland Boys/US Alliance RE	N	Heartland Boys/US Alliance RE 101 Heartland Blvd. Edgewood, NY 11717	52,829	Paper Manufacturer/ Real Estate	23	77
4703-07-07A	RSM Realty	N	RSM Realty 885 Marconi Ave. Ronkonkoma, NY 11779	5,937	Manufacturer/Installer/ Bathrooms	14	16
4703-08-01A	Bayport Partners/Blackman Plumbing.	N	Bayport Partners/Blackman Plumbing. 900 Sylvan Ave. Bayport, NY 11705	139,912	Plumbing Supply Distributor	157	-0-
4703-08-02A	Shri Parshwa/Perfume Center	N	Shri Parshwa/Perfume Center Ocean Ave. Ronkonkoma, NY 11779	868,253	Perfume Packager and Distributor	20	60
4703-08-03A	David Peyser Sportswear	N	David Peyser 60 Spence St. Bay Shore, NY 11706	-0-	Manufacturer/Embroidered Sportswear	70	392
4703-09-01A	Fed Ex Ground/Laz Bur	N	Laz Bur Co. 67 Clinton Rd. Garden City, NY 11530	18,335	Package Transportation	16	62

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TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF BONDS, NOTES AND LEASES
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4703-10-01A	GE Aviation/GL II Assoc	N	GE Aviation/GL II Assoc 1000 MacArthur Mem. Hwy. Bohemia, NY 11716	\$ 93,040	Manufacturer of Aviation Electronics	52	227
4703-11-02A	Sysco LI LLC	N	Sysco Foods 1390 Enclave Pkwy Houston, TX 77077	1,277,916	Distributor of Food Products	185	0
4703-11-04A	Suffolk County Brake Services	N	Suffolk County Brake Service 862 Lincoln Ave. Bohemia, NY 11716	6,347	Heavy Equipment Service & Sales	10	10
4703-11-05A	Invagen Pharmaceuticals	N	Invagen Pharmaceuticals 550 S. Research Central Islip, NY 11722	803,011	Generic Pharmaceutical Manufacturer	150	0
4703-11-06A	American Tire/ 121 Wilshire LLC	N	American Tire 121 Wilshire Blvd. Edgewood, NY 11717	199,526	Distributor of Automobile Tires	25	0
4703-11-07A	Trojan Powder Coating	N	Trojan Powder 2215 Union Bld. Bay Shore, NY 11706	99,485	Metal Finishing Plant	26	58
4703-11-08A	Rubies Costume Co. Inc.	N	Rubies Costume Co. Inc. One Rubie Plaza Richmond Hill, NY 11418	276,969	Distributor of Halloween Costumes	55	0
4703-11-09A	Piping Rock	N	Piping Rock 3900 Veterans Mem. Hwy. Bohemia, NY 11716	-0-	Manufacturer of Health & Nutritional Foods	80	0
4703-11-10A	CMB Wireless	N	CMB Wireless 116 Wilbur Pl Bohemia, NY 11716	198,636	Remanufacturer of Cell Phones	60	0
4703-11-11A	CVD Equipment (CI)	N	CVD Equipment 355 S. Technology Dr. Central Islip, NY 11722	231,407	Designs and manufacturers capital equipment including chemical vapor deposition furnaces and gas flow control equipment	17	159

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Project Code	Lease Project Name	Is the applicant a Not for Profit corporation?	Applicant Name and Address	Estimated Amount of Tax Exemptions	Purpose for which Each Transaction was Made	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained
4703-12-02A	Briad Development East LLC	N	Briad Development East LLC N/E/C Carleton Ave and Courthouse Dr. Central Islip, NY 11722	\$ 916,567	4 story, 125 room, all-suite extended stay hotel	30	0
4703-12-05A	Wesco Distribution/Prime Eleven LLC	N	Wesco Distribution/Prime Eleven LLC 687 Old Willets Path Hauppauge, NY 11788	104,000	Distributor of Electrical, Industrial Products and Construction Materials	24	85
4703-12-06A	Broadridge Investor Communications Inc.	N	Broadridge Investor Communications Inc. 300 Executive Dr Brentwood, NY 11717	127,327	Service provider of investor communications and technology driven solutions to banks, broker-dealers, mutual funds and corporations globally	0	1500
4703-13-01	B/E Aerospace Inc./Four L Realty	N	B/E Aerospace Inc./ Four L Realty 355 Knickerbocker Ave. Bohemia, NY 11716	50,008	Manufacturer of high performance lighting systems for commercial and business jet aircraft	30	154
4703-13-02	Rothco III	N	Rothco III 3015 Veterans Memorial Hwy Ronkonkoma, NY 11779	-0-	Warehouse distributor of military apparel, outdoor clothing and accessories	0	0
4703-13-03	Allstate	N	Allstate/Hauppauge Office Park Associates 878 Veterans Memorial Hwy Hauppauge, NY 11788	1,832,227	Insurance products	0	385
4703-13-04	Sartorius Stedim North America	N	Sartorius Stedim North America 545 Johnson Ave. Bohemia, NY 11716	76,401	Provider of cutting-edge equipment for the bio pharmaceutical industry	20	150
4703-13-05	60 Hoffman/United Lighting and Electrical Corp/Playaction LLC	N	60 Hoffman/United Lighting & Electrical Corp/Playaction LLC 60 Hoffman Ave. Hauppauge, NY 11788	161,909	Wholesale and electrical lighting supply/sports and entertainment brand product licensing	8	28
4703-13-06	ZTA Rental Properties	N	ZTA Rental Properties 110 Wilsnre Blvd. Edgewood, NY 11717	-0-	Construction of a new warehouse/light manufacturing building	0	0

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4703-14-01	The Berferro Group LLC (Skyzone)/ZTA Rental Properties L.P.	N	The Berferro Group 111 Rodeo Drive Edgewood, NY 11717	\$ 92,765	Indoor trampoline park	51	0
4703-14-02	Green-Flagg LLC	N	Green-Flagg LLC 61 W. Main Bay Shore, NY 11706	54,600	Downtown mixed use development - New wood frame construction of 2 buildings	0	0
4703-14-03	Kelco Construction, Inc./Freckle Face Realty LLC	N	Kelco Construction, Inc. 25 Newton Place Hauppauge, NY 11788	14,750	Large, comprehensive construction and landscaping installation company	27	90
4703-14-04	Hauppauge Office Park Associates, LLC	N	Hauppauge Office Park Associates, LLC 888 Veterans Memorial Highway Hauppauge, NY 11788	71,308		215	567
4703-14-05	Carson Optical Inc./Gilpin LLC	N	Carson Optical Inc./Gilpin LLC 2070 Fifth Avenue Ronkonkoma, NY 11779	67,464	Manufacturer, importer and distributor of optical products	8	25
4703-14-06	Sheralven Enterprises Ltd./Heartland Boys II LP	N	Sheralven Enterprises Ltd. 2 Rodeo Drive Edgewood, NY 11717	210,652	Wholesale distributor of fragrances	30	132
4703-14-07	M & M Canvas & Awnings, Inc./Mere Realty Holdings, LLC	N	M & M Canvas & Awnings, Inc. 180 Oval Drive Islandia, NY 11749	36,882	Manufacturer of awnings and canvas product	10	15
4703-14-08	ELM Freight Handlers Inc. d/b/a ELM Global Logistics/Brentwood Steel, LLC	N	ELM Freight Handlers Inc. 50 Emjay Boulevard Brentwood, NY 11717	235,962	Warehousing and logistics services for local and national companies	15	62
4703-14-09	J & A Coat & Apron Service Corp.	N	J & A Coat & Apron Service Corp. 56 Penataquit Avenue Bay Shore, NY 11706	12,939	Apron, linen, napkin, shirts, pants rental service	8	15
4703-14-10	Universal Photonics Inc./Facilities Realty Management - Jetson, LLC	N	Universal Photonics Inc. 85 Jetson Lane Central Islip, NY 11722	173,210	Warehouse and distributor of polishing products	0	60

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4703-14-11	All-System Aerospace International, Inc./NASHA Holdings, LLC	N	All-System Aerospace International, Inc. 75 Beacon Drive Holbrook, NY 11741	\$ 22,680	Warehouse distributor of helicopter and aircraft parts	4	20
4703-14-13	Above All Storefronts Inc./50 Gilpin Corp.	N	Above All Storefronts Inc. 50 Gilpin Avenue Hauppauge, NY 11788	89,121	Manufacturer and installer of aluminum and glass commercial windows	12	63
4703-14-14	Cookies United LLC/United Baking Co. Inc.	N	Cookies United LLC 141 Freeman Avenue Islip, NY 11751	176,123	Manufacturer of baked goods	30	120
4703-14-15	Fashioncraft-Excello Inc./Veterans Highway - Holbrook, LLC	N	Fashioncraft-Excello Inc. 5050 Veteran's Mem. Hwy. Holbrook, NY 11741	59,338	Wholesale distributor of wedding and other event favors	7	45
4703-14-17	Tekweld Solutions Inc./45 Rabro Solutions LLC	N	Tekweld Solutions Inc. 45 Rabro Drive Hauppauge, NY 11788	73,289	Manufacturer of promotional items	40	80
4703-14-18	Island Tech Services, LLC/Invesgro, LLC	N	Island Tech Services, LLC 980 S. 2nd Street Ronkonkoma, NY 11779	17,129	Computer network and service company	8	17
4703-15-01	Ruby Has LLC/Adscott Realty Co.	N	Ruby Has LLC/Adscott Realty Co. 5 Inez Drive Bayshore NY, 11706	108,732	Fulfillment, picking and packing for ecommerce companies	14	24
4703-15-02	Century Direct, LLC/C. Vignola LLC	N	Century Direct, LLC/C. Vignola Realty LLC 15 Enter Lane Islandia NY, 11749	85,215	Commercial Printing, Mailing, Data Management and Computer Services	135	177
4703-15-03	Design Works Craft Inc./REP A-2022 LLC	N	Design Works Craft Inc./REP A-2022 LLC 70 Orville Drive Bohemia, NY 11716	23,775	Manufacturer of Arts and Crafts	13	42
4703-15-04	ABH Nature's Products	N	ABH Nature's Products 131 Heartland Blvd. Edgewood, NY 11717	-0-	Manufacturer, packaging, distributing of vitamin products	17	17

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4703-15-05	AlphaMed Bottles Inc.	N	AlphaMed Bottles Inc. 300 S. Technology Drive Central Islip, NY 11722	\$ 43,950	Manufacturer of bottles for the pharmaceutical industry	20	15
4703-15-06	Ascent Pharmaceuticals Inc. 2015 Facility (InvaGen II)	N	Ascent Pharmaceuticals Inc. 400 S. Technology Drive Central Islip, NY 11722	217,008	Manufacturer of generic pharmaceutical products	100	390
4703-15-07	Dealer Tire LLC/N&G Realty Co.	N	Dealer Tire LLC/N&G Realty Co. 2040 Express Drive S Hauppauge, NY 11788	23,957	Warehouse distributor of tires	22	0
4703-15-08	Century Direct, LLC/130 Hoffman 2015 facility	N	Century Direct, LLC 130 Hoffman Lane Islandia, NY 11749	35,019	Commercial Printing, Mailing, Data Management and Computer Services	48	0
4703-15-09	Multidyne Electronics Inc./Silverback Realty LLC	N	Multidyne Electronics Inc. 35 Hoffman Avenue Hauppauge, NY 11788	-0-	Manufacturer of fiber optic communications equipment for broadcast, cinema and ProAV Industries	13	17
4703-15-10	Rubies Costume Inc./100 Pineaire Drive LLC (Rubies III)	N	Rubies Costume Inc. 100 Pineaire Drive Bay Shore, NY 11706	12,877	Manufacturer and distributor of Halloween costumes and accessories	18	0
4703-15-11	Macy Estate LLC	N	Macy Estate LLC 40-46 Islip Avenue Islip, NY 11751	116,371	Senior Housing	0	2
4703-15-12	Northrock Industries LLC/BAMM LLC	N	Northrock Industries LLC 31 Crossways East Bohemia, NY 11716	13,036	Manufacturer of construction equipment	5	17
4703-15-13	Qosina Corp/REP A-2027 LLC	N	Qosina Corp 2002 N. Orville Drive Ronkonkoma, NY 11779	43,435	Distributor of plastic medical components and cosmetic disposables	10	102
4703-15-14	Coline Cabinetry NY Inc./Hauppauge Holding LLC	N	Coline Cabinetry NY Inc. 1795 Express Drive N Hauppauge, NY 11788	25,679	Import and assemble cabinetry for residential and commercial use	11	9
4703-15-15	Land Tek/ Islip Yards	N	Land Tek/Islip Yards 105 Sweeneydale Ave. Bay Shore, NY 11706	50,951	Construction of two new buildings and equipment storage yards.	30	275

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4703-15-16	Robert Marsh Enterprises Inc.	N	Robert Marsh Enterprises Inc. 100 Christopher Street Ronkonkoma, NY 11779	\$ -0-	Distribution and selling of entertainment equipment	4	21
4703-15-17	Home Tile Center of NY Inc./Corfu Property LLC	N	Home Tile Center of NY Inc. 165 Oval Drive Islandia, NY 11749	-0-	Importer and distributor of ceramic tiles	4	6
4703-15-18	Nationwide Exhibitors Services Inc./Wm. J. Lot Realty LLC	N	Nationwide Exhibitors Services Inc. 110 Windsor Pl Central Islip, NY 11722	1,087	Manufacturer of tradeshow booths	10	17
4703-15-19	Summit Manufacturing LLC	N	Summit Manufacturing LLC 59 Spence Street Bay Shore, NY 11706	-0-	Manufacturer of advertising displays	11	225
4703-15-20	Restaurant Depot LLC/JMDH Real Estate of Bohemia LLC	N	Restaurant Depot LLC 1335 Lakeland Ave. Bohemia, NY 11716	123,162	Wholesale distributor of restaurant supplies	9	73
4703-15-21	Briad Lodging Group C1 2 LLC (2nd hotel)	N	Briad Lodging Group C1 2 LLC 0 Courthouse Drive Central Islip, NY 11722	206,311	Select service hotel with 125 rooms	30	0
4703-15-22	SUNation Solar Systems Inc.	N	SUNation Solar Systems Inc. 171 Remington Blvd Ronkonkoma, NY 11779	27,285	Custom solar sales, design and installation company	31	64
4703-16-01	Hemisphere Trading/42 Windsor	N	Hemisphere Trading/42 Windsor 42 Windsor Pl. Central Islip, NY 11722	46,068	Wholesaler/Distributor of household goods	9	7
4703-16-02	Suffolk County Industrial	N	Suffolk County Industrial 1724 Fifth Ave. Bay Shore, NY 11706	176,956	Conversion of 500,000 sq. ft. manufacturing facility to multi tenant/food production	150	0
4703-16-03	Ri Wang Food Group/Paramount Land	N	Ri Wang Food Group/Paramount Land 30 Inez Dr. Bay Shore, NY 11706	29,295	Importer/ distributor of gourmet ethnic food products	57	0

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4703-16-04	Continental Marble/Smithtown Onyx	N	Continental Marble/Smithtown Onyx 1591 Smithtown Ave. Ronkonkoma, NY 11779	\$ 39,741	Manufacturer of stone and marbe counter tops	7	35
4703-16-05	Snake Tray/239 S Fehr Way LLC	N	Snake Tray/239 S Fehr Way LLC 239 S. Fehr Way Bay Shore, NY 11706	26,250	Manufacturer of cable and power distribution trays	17	35
4703-16-06	JVR Electric, Inc.	N	JVR Electric, Inc. 160 Gary Way Ronkonkoma, NY 11779	14,661	Electrical contractors	12	18
4703-16-07	B&S Fragrances & Cosmetics	N	B&S Fragrances & Cosmetics 25 Panick Rd. Hauppauge, NY 11788	65,294	Cosmetic and fragrance distributor	12	17
4703-16-08	East/West Industries	N	East/West Industries 2001 N. Orville Ronkonkoma, NY 11779	-0-	Aerospace/defense manufacturer	23	60
4703-16-09	M S International	N	M S International 50 Heartland Blvd. Brentwood, NY 11717	-0-	Warehouse/distribution of flooring, countertops, tile, and hardscaping	15	0
4703-16-11	Crown Royal Ventures	N	Crown Royal Ventures 1555 Locust Ave. Bohemia, NY 11716	56,620	Construction of multi-tenanted industrial building	6	6
4703-16-12	Avco Industries (Freeport Paper)	N	Avco Industries 120 Windsor Ave. Central Islip, NY 11722	19,425	Paper manufacturer	30	120
4703-16-13	Best Yet Market LLC	N	Best Yet Market LLC 1724 Fifth Ave. Bay Shore, NY 11706	-0-	Corporate HQ, food distribution, food incubator	200	0
4703-96-05A	Catalina Assoc.	N	Catalina Assoc. 31 Windsor Dr. Central Islip, NY 11722	-0-	Paper Distributor	26	71
4703-96-06A	Cintas Corporation	N	Cintas Corporation 500 South Research Pl. Central Islip, NY 11722	-0-	Commercial Laundry Services	75	45

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 December 31, 2016

Project Code	Lease Project Name	Is the applicant a Not for Profit corporation?	Applicant Name and Address	Estimated Amount of Tax Exemptions	Purpose for which Each Transaction was Made	Original Estimate of Jobs to be Created	Original Estimate of Jobs to be Retained
4703-97-01A	J. Kings Food Service	N	J. Kings Food Service 700 Furrows Rd. Holbrook, NY 11741	\$ -0-	Food Distributor	39	39
4703-97-06A	Creative Bath	N	Creative Bath/Cellu Tissue 555 North Research Central Islip, NY 11722	484,662	Injection Molding Mfr. in Empire Zone	50	250
4703-98-09A	NBTY/Cartwright Loop	N	NBTY/Cartwright Loop 10 Vitamin Dr. Bayport, NY 11705	162,041	Gelcap Mfr. Facility/New Industrial Park	118	-0-
4703-98-11A	Dayton T. Brown Inc.	N	Dayton T. Brown Inc. 1195 Church St. Bohemia, NY 11716	-0-	Expansion of Testing Facilities	21	305
4703-98-15A	Jetro Cash & Carry	N	Jetro Cash & Carry 1335 Lakeland Ave. Bohemia, NY 11716	-0-	Commercial Food/Rest. Supplies	45	-0-
4703-98-16A	NBTY/105 Orville	N	NBTY/105 Orville 105 Orville Dr. Bohemia, NY 11716	-0-	Tablet Manufacturing Facility/One of Multiple NBTY Facilities (See Prev. Ann. Rep)	100	599
4703-99-09A	Rothco	N	Rothco 3015 Veterans Mem. Hwy. Ronkonkoma, NY 11779	95,140	Distributor of Military Surplus Products	30	70

There was no other method of financial assistance utilized by these projects, other than the tax exemptions.

See independent auditors' report.

OTHER REPORTS



**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 Agency Board
Town of Islip Industrial Development Agency
Islip, 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 statement of the business-type activities of the Town of Islip Industrial Development Agency (the "Agency"), a component unit of the Town of Islip, New York, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated June 19, 2017.

Internal Control over Financial Reporting

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

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

PERSONAL SERVICE. TRUSTED ADVICE.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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 the audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

ALAN VUJIC, CPA ? CMA P.C.

Hauppauge, New York
June 19, 2017



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
WITH AGENCY INVESTMENT POLICY

To the Agency Board
Town of Islip Industrial Development Agency
Islip, New York

Report

We have examined the Town of Islip Industrial Development Agency's (the "Agency"), a component unit of the Town of Islip, New York, compliance with the Agency's investment policy during the period January 1, 2016 through December 31, 2016.

Management's Responsibility

Management is responsible for the Agency's compliance with their investment policy.

Auditors' Responsibility

Our responsibility is to express an opinion on the Agency's compliance based on our examination. Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Agency's compliance with specified requirements.

Opinion

In our opinion, the Agency complied, in all material respects, with the aforementioned requirements during the period January 1, 2016 through December 31, 2016.

Other Matters

This report is intended solely for the information and use of the Board, audit committee, management of the Agency, Authority Budget Office, and the New York State Comptroller's Office and is not intended to be and should not be used by anyone other than these specified parties.

Albrecht, Viggiano, Zureck & Company P.C.

Hauppauge, New York
June 19, 2017

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