

**TOWN OF ISLIP INDUSTRIAL  
DEVELOPMENT AGENCY**

**AUDITED FINANCIAL STATEMENTS**

Year Ended December 31, 2017

**TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY  
TABLE OF CONTENTS**

Page No.

|                                   |     |
|-----------------------------------|-----|
| Independent Auditors' Report..... | 1-2 |
|-----------------------------------|-----|

**REQUIRED SUPPLEMENTARY INFORMATION**

|  |     |
|--|-----|
| Management's Discussion and Analysis ..... | 3-6 |
|--|-----|

**BASIC FINANCIAL STATEMENTS**

|  |       |
|--|-------|
| Statement of Net Position.....                                     | 7     |
| Statement of Revenues, Expenses, and Changes in Net Position ..... | 8     |
| Statement of Cash Flows .....                                      | 9     |
| Notes to Financial Statements.....                                 | 10-17 |

**OTHER SUPPLEMENTARY INFORMATION**

|   |       |
|---|-------|
| Schedule of Bonds, Notes and Leases ..... | 18-30 |
|---|-------|

**OTHER REPORTS**

|  |       |
|--|-------|
| Independent Auditors' Report on Internal Control Over Financial<br>Reporting and on Compliance and Other Matters Based on an Audit of Financial<br>Statements Performed in Accordance With Government Auditing Standards ..... | 31-32 |
| Independent Auditors' Report on Compliance with Agency Investment Policy.....  | 33    |
| Schedule of Findings and Questioned Costs .....  | 34    |



## 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, 2017, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

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

PERSONAL SERVICE. TRUSTED ADVICE.

ALBRECHT, VIGGIANO, ZURECK & COMPANY, P.C.

245 PARK AVENUE, 39TH FLOOR  
NEW YORK, NY 10167  
T: 212.792.4075

25 SUFFOLK COURT  
HAUPPAUGE, NY 11788-3715  
T: 631.434.9500 F: 631.434.9518

www.avz.com  
INDEPENDENT MEMBER OF BKR INTERNATIONAL

## **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, 2017, 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 bonds, 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 bonds, 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 May 10, 2018, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

*Albert V. Vignar, Zeb & Company P.C.*

Hauppauge, New York  
May 10, 2018

**REQUIRED SUPPLEMENTARY INFORMATION**  
**Management's Discussion and Analysis**



## **TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY MANAGEMENT'S DISCUSSION AND ANALYSIS**

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, 2017. 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**

**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 31<sup>st</sup> is presented as follows:

|                                  | 2017                | 2016                |
|----------------------------------|---------------------|---------------------|
| <b>Assets</b>                    |                     |                     |
| Current and other assets         | \$ 3,407,185        | \$ 3,418,116        |
| Capital assets                   | 17,271              | 19,574              |
| Total Assets                     | <u>3,424,456</u>    | <u>3,437,690</u>    |
| <b>Liabilities</b>               |                     |                     |
| Current and other liabilities    | 262,502             | 400,294             |
| Total Liabilities                | <u>262,502</u>      | <u>400,294</u>      |
| <b>Net Position</b>              |                     |                     |
| Net investment in capital assets | 17,271              | 19,574              |
| Unrestricted                     | <u>3,144,683</u>    | <u>3,017,822</u>    |
| Total Net Position               | <u>\$ 3,161,954</u> | <u>\$ 3,037,396</u> |

Total assets as of December 31, 2017 were \$3,424,456, which exceeded total liabilities by \$3,161,954 (i.e. net position.) Of the Agency's net position, \$17,271 was a net investment in capital assets, and \$3,144,683 was unrestricted, which is available to support operations. Total assets decreased by \$13,234 between December 31, 2017 and 2016 primarily due to the decrease in cash as compared to prior year. Total liabilities decreased \$137,792 primarily due to a decrease in amount due to other governments. The net position increased by \$124,558 for the current year.

**TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**FINANCIAL ANALYSIS OF THE AGENCY (continued)**

**Operating Results**

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

|  | 2017                | 2016                |
|--|---------------------|---------------------|
| <b>Operating Revenues</b>                |                     |                     |
| Charges for services                     | \$ 598,631          | \$ 428,841          |
| Other operating revenues                 | 2,500               | 2,500               |
| Total Operating Revenues                 | <u>601,131</u>      | <u>431,341</u>      |
| <b>Operating Expenses</b>                |                     |                     |
| Contractual goods and services           | 494,583             | 574,156             |
| Depreciation                             | 2,303               | 2,303               |
| Total Operating Expenses                 | <u>496,886</u>      | <u>576,459</u>      |
| Operating Income (Loss)                  | <u>104,245</u>      | <u>(145,118)</u>    |
| <b>Non-Operating Revenue</b>             | <u>20,313</u>       | <u>9,545</u>        |
| Change in Net Position                   | 124,558             | (135,573)           |
| <b>Net Position at Beginning of Year</b> | <u>3,037,396</u>    | <u>3,172,969</u>    |
| Net Position at End of Year              | <u>\$ 3,161,954</u> | <u>\$ 3,037,396</u> |

The Agency's operating revenues increased \$169,790 from \$431,341 in 2016 to \$601,131 in 2017. The increase is due to larger projects in the current year, resulting in higher project closing fees as compared to the prior year. The expenses decreased \$79,573 from \$576,459 in 2016 to \$496,886 in 2017. The decrease in expense is mainly due to decreased professional fees during 2017.

**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 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**

**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, 2017

**ASSETS**

**Current Assets:**

|                           |              |
|---------------------------|--------------|
| Cash and cash equivalents | \$ 3,407,185 |
|---------------------------|--------------|

|                      |           |
|----------------------|-----------|
| Total Current Assets | 3,407,185 |
|----------------------|-----------|

**Non-current Assets:**

|   |        |
|---|--------|
| Depreciable capital assets, net of depreciation | 17,271 |
|---|--------|

|              |           |
|--------------|-----------|
| Total Assets | 3,424,456 |
|--------------|-----------|

**LIABILITIES**

**Current Liabilities:**

|                                       |        |
|---------------------------------------|--------|
| Accounts payable and accrued expenses | 98,309 |
|---------------------------------------|--------|

|                          |         |
|--------------------------|---------|
| Due to other governments | 164,193 |
|--------------------------|---------|

|                           |         |
|---------------------------|---------|
| Total Current Liabilities | 262,502 |
|---------------------------|---------|

**NET POSITION**

|                                  |        |
|----------------------------------|--------|
| Net investment in capital assets | 17,271 |
|----------------------------------|--------|

|              |           |
|--------------|-----------|
| Unrestricted | 3,144,683 |
|--------------|-----------|

|                    |              |
|--------------------|--------------|
| Total Net Position | \$ 3,161,954 |
|--------------------|--------------|

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, 2017

**OPERATING REVENUES:**

|                          |                |
|--------------------------|----------------|
| Charges for services     | \$ 598,631     |
| Other operating revenues | 2,500          |
| Total Operating Revenues | <u>601,131</u> |

**OPERATING EXPENSES:**

|                           |                |
|---------------------------|----------------|
| Administration            | 303,991        |
| Advertising and promotion | 142,168        |
| Dues and subscriptions    | 6,004          |
| Depreciation              | 2,303          |
| Professional fees         | 27,973         |
| Travel and conferences    | 14,447         |
| Total Operating Expenses  | <u>496,886</u> |
| Income from Operations    | <u>104,245</u> |

**NON-OPERATING REVENUES:**

|                                |               |
|--------------------------------|---------------|
| Interest and investment income | <u>20,313</u> |
| Total Non-Operating Revenues   | <u>20,313</u> |
| Change in Net Position         | 124,558       |

**Net Position at Beginning of Year**

|                             |                            |
|-----------------------------|----------------------------|
|                             | 3,037,396                  |
| Net Position at End of Year | <u><u>\$ 3,161,954</u></u> |

**TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY**  
**STATEMENT OF CASH FLOWS**  
Year Ended December 31, 2017

**CASH FLOWS FROM OPERATING ACTIVITIES**

|   |            |
|---|------------|
| Cash received from customers, clients and tenants | \$ 601,131 |
| Cash payments for contractual expenses            | (453,484)  |
|   | <hr/>      |
| Net Cash Provided by Operating Activities         | 147,647    |

**CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES**

|   |              |
|---|--------------|
| Cash received from payments in lieu of taxes      | 17,551,121   |
| Cash paid for payments in lieu of taxes           | (17,730,012) |
|   | <hr/>        |
| Net Cash Used by Non-Capital Financing Activities | (178,891)    |

**CASH FLOWS FROM INVESTING ACTIVITIES**

|   |          |
|---|----------|
| Interest income                           | 20,313   |
|   | <hr/>    |
| Net Cash Provided by Investing Activities | 20,313   |
|   | <hr/>    |
| Net Decrease in Cash                      | (10,931) |

|  |              |
|--|--------------|
| Cash and Cash Equivalents at Beginning of Year | 3,418,116    |
|  | <hr/>        |
| Cash and Cash Equivalents at End of Year       | \$ 3,407,185 |

**RECONCILIATION OF INCOME FROM OPERATIONS TO NET CASH  
PROVIDED BY OPERATING ACTIVITIES:**

|  |            |
|--|------------|
| Income from operations   | \$ 104,245 |
| Adjustments to reconcile operating income<br>to net cash provided by operating activities: |            |
| Depreciation expense   | 2,303      |
| Increase (Decrease) in liabilities   |            |
| Accounts payable and accrued expenses  | 93,682     |
| Due to primary government  | (52,583)   |
|  | <hr/>      |
| Net Cash Provided by Operating Activities  | \$ 147,647 |

See notes to the financial statements.



**TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**

**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 expenses 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**

**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 acquisition 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.

**6. Due To Other Governments**

Amounts due to other governments are for recapture and payments in lieu of taxes (PILOT) payments received prior to year-end and 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**

**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, 2017 was approximately \$142,000.

**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.

**12. Accounting Pronouncements**

The Agency has adopted all of the current Statements of the Governmental Accounting Standards Board ("GASB") that are applicable for the year ended December 31, 2017. The implementation of the applicable Statements had no impact on the Agency's financial statements.

**TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**

**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 Federal Depository Insurance Corporation ("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 FDIC. 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, 2017, the Agency's cash and cash equivalents have been combined with other funds in the Town's consolidated cash account, which was insured by FDIC or collateralized by securities held in the pledging bank's agent, a third-party financial institution, in the Town's name.

**TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**

**C. Capital Assets**

Capital asset activity for the year ended December 31, 2017 is as follows:

|                                  | Balance<br>01/01/17 | Additions | Deletions | Balance<br>12/31/17 |
|----------------------------------|---------------------|-----------|-----------|---------------------|
| <b>Depreciable assets:</b>       |                     |           |           |                     |
| Machinery and equipment          | \$ 29,706           |           |           | \$ 29,706           |
| Software                         | 15,000              |           |           | 15,000              |
| Total depreciable capital assets | 44,706              | \$ -0-    | \$ -0-    | 44,706              |
| <b>Accumulated depreciation:</b> |                     |           |           |                     |
| Machinery and equipment          | 10,132              | 2,303     |           | 12,435              |
| Software                         | 15,000              |           |           | 15,000              |
| Total accumulated depreciation   | \$ 25,132           | \$ 2,303  | \$ -0-    | 27,435              |
| Total net depreciable assets     |                     |           |           | \$ 17,271           |

Depreciation expense totaled \$2,303 for the year ending December 31, 2017.

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, 2017, 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 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**

**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 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's 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 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 1<sup>st</sup> preceding the year for which the same is levied and the second half is payable May 10<sup>th</sup>, with the first half payable without penalty to January 10<sup>th</sup> and the second half payable without penalty to May 31<sup>st</sup>. 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, 2017, 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**

**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, 2017, there were 115 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 \$292,411 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, 2017. The total value of \$303,991 is reported as administrative expenses on the financial statements. The Agency reimbursed the Town a total of \$303,991 in 2017.

**J. New Pronouncements**

The following statements have been issued by the GASB and are to be implemented in future years, as applicable:

Statement No. 84, "*Fiduciary Activities*" establishes criteria for identifying fiduciary activities of all state and local governments. The criteria focus is generally on 1) whether a government is controlling the assets of the fiduciary activity, and 2) the beneficiaries with whom a fiduciary relationship exists. The Statement establishes the four fiduciary funds that should be reported (as applicable): 1) pension and other employee benefit trust funds, 2) investment trust funds, 3) private purpose trust funds, and 4) custodial funds. This Statement also provides guidance for the recognition of a liability when an event has occurred that compels the government to disburse fiduciary resources. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

Statement No. 85, "*Omnibus 2017*" was issued to address practice issues identified in the implementation and application of certain GASB Statements. It addresses a number of topics including, but not limited to: blending component units, goodwill, fair value measurement and applications, and postemployment benefits such as pension and other postemployment benefits. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017.

**TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**

**J. New Pronouncements (continued)**

Statement No. 86, "*Certain Debt Extinguishment Issues*" was issued to improve the consistency in accounting and reporting for in-substance defeasance of debt and prepaid insurance on debt that is extinguished. This Statement clarifies that the governments should recognize any difference between the reacquisition price (the amount required to be placed in trust) and the net carrying amount of the debt defeased in substance using only existing resources as a separately identified gain or loss in the period of the defeasance, regardless if utilizing existing resources or issuing refunding debt. It also clarifies that any prepaid insurance related to the extinguished debt be included in the net carrying amount of debt for purposes of calculating the difference between the reacquisition price and carrying amount of the debt. The requirements of this Statement are effective for reporting periods beginning after June 15, 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, 2017**

| 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.<br>1 Hopplin Dr.<br>Central Islip, NY 11772          | \$ 749,110                         | NYS Tax Credit Senior Housing in Empire Zone | 12/28/2001    | 5.70%         | 2017  | Tax Exempt                  | 4                                       | -0-                                      |
| 4703-99-03A  | Albia Assisted Living           | 16,000,000           | N  | Forest City Daly Housing<br>53 Ocean Ave.<br>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<br>Paper/Equipment<br>101 Heartland Blvd.<br>Edgewood, NY 11717 | -0-                                | Paper Manufacturer/<br>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 Equipment<br>101 Heartland Blvd.<br>Edgewood, NY 11717          | -0-                                | Paper Manufacturer/<br>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<br>67 Clinton Rd.<br>Garden City, NY 11530                       | 668,201                            | Assisted Living Facility                     | 11/27/2012    | 6.50%         | 2025  | Tax Exempt                  | 55                                      | -0-                                      |

See independent auditors' report.



**TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY**  
**SCHEDULE OF BONDS, NOTES AND LEASES**  
 December 31, 2017

| Project Code | Lease Project Name                   | Is the applicant a<br>Not for Profit<br>corporation? | Applicant Name and Address  | Estimated<br>Amount of Tax<br>Exemptions | Purpose for which Each<br>Transaction was Made         | Original Estimate<br>of Jobs to be<br>Created | Original<br>Estimate of<br>Jobs to be<br>Retained |
|--------------|--------------------------------------|--|---|--|--|---|---|
| 4703/06/04A  | Constance Foods/Aerotech             | N  | Constance Foods/Aerotech<br>545 Johnson Ave.<br>Bohemia, NY 11716         | \$ 296,427                               | Food Mfr. & Distribution for 7<br>Eleven Corp.         | 288   | 97  |
| 4703-00-07   | NYSARC/Andreassi Assoc.              | Y  | NYSARC/Andreassi Assoc.<br>45 Crossway East.<br>Bohemia, NY 11716         | 147,243                                  | NFP Training and Educational<br>Center for AHRC        | 25  | -0-   |
| 4703-00-09A  | Courthouse Corporate Ctr.            | N  | Courthouse Corporate Ctr.<br>320 Carleton Ave.<br>Central Islip, NY 11722 | 110,050                                  | Class A Office in Empire Zone                          | 3   | -0-   |
| 4703-01-05A  | 22-50 Jackson Ave. Associates        | N  | 22-50 Jackson Ave. Associates<br>One Executive Dr.<br>Edgewood, NY 11717  | 2,287,736                                | Multi year, mixed use<br>development                   | -0-   | 13  |
| 4703-01-10A  | Broadway West                        | N  | Broadway West<br>75 Springfield Rd.<br>Brentwood, NY 11717                | 192,733                                  | Senior Housing   | -0-   | -0-   |
| 4703-02-08A  | Positive Promotions                  | N  | Positive Promotions<br>15 Gilpin Ave.<br>Hauppauge, NY 11788              | 195,776                                  | Mfr. Of Printed Information &<br>Promotional Materials | 75  | 275   |
| 4703-02-09A  | Shafter St./Roux Assoc.              | N  | Shafter St./Roux Assoc.<br>209 Shafter St.<br>Islandia, NY 11749          | -0-                                      | Professional Office<br>Bldg./Engineers                 | 14  | 65  |
| 4703-02-10A  | Atlantic Veterinary Emergency        | N  | Atlantic Veterinary Emergency<br>75 Sunrise Hwy.<br>West Islip, NY 11795  | -0-                                      | Emergency Vet Services                                 | 3   | 8   |
| 4703-02-11A  | Branford Hall/Aerotech               | N  | Branford Hall/Aerotech<br>565 Johnson Ave.<br>Bohemia, NY 11716           | -0-                                      | Career Training Facility                               | 15  | 31  |
| 4703-03-03A  | SKA Machining/ Tri-Start Electronics | N  | Tri-Start Electronics/CVD RE<br>979 Marconi Ave.<br>Ronkonkoma, NY 11779  | -0-                                      | Distributor of Electronic<br>Components                | 10  | 28  |

See independent auditors' report.

**TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY**  
**SCHEDULE OF BONDS, NOTES AND LEASES**  
 December 31, 2017

| Project Code | Lease Project Name           | Is the applicant a<br>Not for Profit<br>corporation? | Applicant Name and Address   | Estimated<br>Amount of Tax<br>Exemptions | Purpose for which Each<br>Transaction was Made | Original Estimate<br>of Jobs to be<br>Created | Original<br>Estimate of<br>Jobs to be<br>Retained |
|--------------|------------------------------|--|--|--|--|---|---|
| 4703-03-05A  | Edgewood Land                | N  | Edgewood Land<br>Wilshire Blvd .<br>Edgewood, NY 11717                       | \$ -0-                                   | Industrial Park Infrastructure                 | -0-   | 13  |
| 4703-03-10A  | Jetro Cash & Carry II        | N  | Jetro Cash & Carry II<br>1335 Lakeland Ave.<br>Bohemia, NY 11716             | -0-                                      | Commercial Food/Rest.<br>Supplies/Expansion    | 6   | 58  |
| 4703-04-01A  | Davis & Hersh LLP            | N  | Davis & Hersh LLP<br>1345 Motor Pkwy.<br>Islandia, NY 11749                  | -0-                                      | Professional Office                            | 17  | 17  |
| 4703-04-04A  | EDO Corp./Aerotech           | N  | EDO Corp./Aerotech<br>585 Johnson Ave.<br>Bohemia, NY 11716                  | 74,673                                   | Antenna Mfr. Facility/Defense                  | 33  | 167   |
| 4703-04-05A  | Alcan Packaging              | N  | Alcan Packaging<br>10 Wilshire Blvd.<br>Edgewood, NY 11717                   | 264,449                                  | Mfr. Of Flexible Packaging Roll<br>Labels      | 100   | -0-   |
| 4703-04-06A  | NBTY/Cartwright Loop/Exp.    | N  | NBTY/Cartwright Loop/Exp.<br>10 Vitamin Dr.<br>Bayport, NY 11705             | 7,051                                    | Expansion of Gelcap Mfr. Fac.                  | -0-   | -0-   |
| 4703-04-07A  | Glenn Wayne Bakery           | N  | Glenn Wayne Bakery<br>1800 Artic Ave.<br>Bohemia, NY 11716                   | 5,296                                    | Industrial Bakery (Formerly<br>CraftTech)      | 13  | 59  |
| 4703-05-03A  | 267 Carleton Ave. Associates | N  | 267 Carleton Ave. Associates<br>267 Carleton Ave.<br>Central Islip, NY 11722 | 99,782                                   | Professional Office Empire<br>Zone             | 9   | 29  |
| 4703-05-04A  | Rothco II                    | N  | Rothco II<br>3015 Veterans Mem. Hwy.<br>Ronkonkoma, NY 11779                 | -0-                                      | Distributor/Expansion                          | 12  | 94  |
| 4703-05-05A  | Whitson's Food Services      | N  | Whitson's Food Services<br>1800 Motor Pkwy.<br>Islandia, NY 11749            | -0-                                      | Mfr. Of Delivered Meals                        | 40  | 114   |

See independent auditors' report.

**TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY**  
**SCHEDULE OF BONDS, NOTES AND LEASES**  
 December 31, 2017

| Project Code | Lease Project Name                  | Is the applicant a<br>Not for Profit<br>corporation? | Applicant Name and Address   | Estimated<br>Amount of Tax<br>Exemptions | Purpose for which Each<br>Transaction was Made                                   | Original Estimate<br>of Jobs to be<br>Created | Original<br>Estimate of<br>Jobs to be<br>Retained |
|--------------|-------------------------------------|--|--|--|--|---|---|
| 4703-05-09A  | Industrial Road & Drainage          | N  | Industrial Road & Drainage<br>Prime Pl.<br>Hauppauge, NY 11788                 | \$ -0-                                   | Road & Drainage<br>Infrastructure for Ind. Park                                  | -0-   | -0-   |
| 4703-06-02A  | TII Network Technologies            | N  | TII Network Technologies<br>141 Rodeo Dr.<br>Brentwood, NY 11717               | -0-                                      | Mfr. Of Surge Protection<br>Devices  | 50  | 46  |
| 4703-06-03A  | Old Nichols Road Group              | N  | Old Nichols Road Group<br>3690 Expressway Dr. So.<br>Islandia, NY 11749        | 48,009                                   | Professional Office Bldg.<br>Housing 2 Law Firms                                 | 16  | 34  |
| 4703-06-06A  | A.G. Metropolitan/Feil Corp.        | N  | A.G. Metropolitan<br>3500 Sunrise Hwy.<br>Great River, NY 11739                | 932,675                                  | Office Complex   | 900   | 500   |
| 4703-07-01A  | Seal Dynamics/Prime 11 East         | N  | Seal Dynamics/Prime 11 East<br>600 Prime Pl.<br>Hauppauge, NY 11788            | 14,752                                   | Design & Distribution of<br>Mechanical and Electrical<br>Components for Airlines | 7   | 75  |
| 4703-07-02A  | Heartland Boys/US Alliance RE       | N  | Heartland Boys/US Alliance RE<br>101 Heartland Blvd.<br>Edgewood, NY 11717     | 36,032                                   | Paper Manufacturer/ Real<br>Estate   | 23  | 77  |
| 4703-07-07A  | RSM Realty                          | N  | RSM Realty<br>885 Marconi Ave.<br>Ronkonkoma, NY 11779                         | 4,469                                    | Manufacturer/Installer/<br>Bathrooms   | 14  | 16  |
| 4703-08-01A  | Bayport Partners/Blackman Plumbing. | N  | Bayport Partners/Blackman<br>Plumbing.<br>900 Sylvan Ave.<br>Bayport, NY 11705 | -0-                                      | Plumbing Supply Distributor  | 157   | -0-   |
| 4703-08-02A  | Shri Parshwa/Perfume Center         | N  | Shri Parshwa/Perfume Center<br>Ocean Ave.<br>Ronkonkoma, NY 11779              | 307,916                                  | Perfume Packager and<br>Distributor  | 20  | 60  |
| 4703-08-03A  | David Peyser Sportswear             | N  | David Peyser<br>60 Spence St.<br>Bay Shore, NY 11706                           | -0-                                      | Manufacturer/Embroidered<br>Sportswear   | 70  | 392   |

See independent auditors' report.

**TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY**  
**SCHEDULE OF BONDS, NOTES AND LEASES**  
 December 31, 2017

| Project Code | Lease Project Name              | Is the applicant a<br>Not for Profit<br>corporation? | Applicant Name and Address   | Estimated<br>Amount of Tax<br>Exemptions | Purpose for which Each<br>Transaction was Made   | Original Estimate<br>of Jobs to be<br>Created | Original<br>Estimate of<br>Jobs to be<br>Retained |
|--------------|---------------------------------|--|--|--|--|---|---|
| 4703-09-01A  | Fed Ex Ground/Laz Bur           | N  | Laz Bur Co.<br>67 Clinton Rd.<br>Garden City, NY 11530                   | \$ 14,474                                | Package Transportation   | 16  | 62  |
| 4703-10-01A  | GE Aviation/GL II Assoc         | N  | GE Aviation/GL II Assoc<br>1000 MacArthur Mem. Hwy.<br>Bohemia, NY 11716 | 74,599                                   | Manufacturer of Aviation<br>Electronics  | 52  | 227   |
| 4703-11-02A  | Sysco LI LLC                    | N  | Sysco Foods<br>1390 Enclave Pkwy<br>Houston, TX 77077                    | 1,312,813                                | Distributor of Food Products   | 185   | 0   |
| 4703-11-04A  | Suffolk County Brake Services   | N  | Suffolk County Brake Service<br>862 Lincoln Ave.<br>Bohemia, NY 11716    | 5,480                                    | Heavy Equipment Service &<br>Sales   | 10  | 10  |
| 4703-11-05A  | Invagen Pharmaceuticals         | N  | Invagen Pharmaceuticals<br>550 S. Research<br>Central Islip, NY 11722    | 715,947                                  | Generic Pharmaceutical<br>Manufacturer   | 150   | 0   |
| 4703-11-06A  | American Tire/ 121 Wilshire LLC | N  | American Tire<br>121 Wilshire Blvd.<br>Edgewood, NY 11717                | 174,967                                  | Distributor of Automobile Tires  | 25  | 0   |
| 4703-11-07A  | Trojan Powder Coating           | N  | Trojan Powder<br>2215 Union Bld.<br>Bay Shore, NY 11706                  | 86,457                                   | Metal Finishing Plant  | 26  | 58  |
| 4703-11-08A  | Rubies Costume Co. Inc.         | N  | Rubies Costume Co. Inc.<br>One Rubie Plaza<br>Richmond Hill, NY 11418    | 251,859                                  | Distributor of Halloween<br>Costumes   | 55  | 0   |
| 4703-11-09A  | Piping Rock                     | N  | Piping Rock<br>3900 Veterans Mem. Hwy.<br>Bohemia, NY 11716              | -0-                                      | Manufacturer of Health &<br>Nutritional Foods  | 80  | 0   |
| 4703-11-11A  | CVD Equipment (CI)              | N  | CVD Equipment<br>355 S. Technology Dr.<br>Central Islip, NY 11722        | 202,107                                  | Designs and manufacturers<br>capital equipment including<br>chemical vapor disposition<br>furnaces and gas flow control<br>equipment | 17  | 159   |

See independent auditors' report.

**TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY**  
**SCHEDULE OF BONDS, NOTES AND LEASES**  
 December 31, 2017

| Project Code | Lease Project Name   | Is the applicant a<br>Not for Profit<br>corporation? | Applicant Name and Address   | Estimated<br>Amount of Tax<br>Exemptions | Purpose for which Each<br>Transaction was Made  | Original Estimate<br>of Jobs to be<br>Created | Original<br>Estimate of<br>Jobs to be<br>Retained |
|--------------|--|--|--|--|---|---|---|
| 4703-12-02A  | Briad Development East LLC                                       | N  | Briad Development East LLC<br>N/E/C Carleton Ave and<br>Courthouse Dr.<br>Central Islip, NY 11722        | \$ 933,903                               | 4 story, 125 room, all-suite<br>extended stay hotel   | 30  | 0   |
| 4703-12-05A  | Wesco Distribution/Prime Eleven LLC                              | N  | Wesco Distribution/Prime Eleven<br>LLC<br>687 Old Willets Path<br>Hauppauge, NY 11788                    | 92,324                                   | Distributor of Electrical,<br>Industrial Products and<br>Construction Materials   | 24  | 85  |
| 4703-12-06A  | Broadridge Investor Communications<br>Inc.                       | N  | Broadridge Investor<br>Communications Inc.<br>300 Executive Dr<br>Brentwood, NY 11717                    | 127,901                                  | Service provider of investor<br>communications and<br>technology driven solutions to<br>banks, broker-dealers, mutual<br>funds and corporations<br>globally | 0   | 1500  |
| 4703-13-01   | B/E Aerospace Inc./Four L Realty                                 | N  | B/E Aerospace Inc./ Four L Realty<br>355 Knickerbocker Ave.<br>Bohemia, NY 11716                         | 48,685                                   | Manufacturer of high<br>performance lighting systems<br>for commercial and business<br>jet aircraft   | 30  | 154   |
| 4703-13-02   | Rothco III   | N  | Rothco III<br>3015 Veterans Memorial Hwy<br>Ronkonkoma, NY 11779   | -0-                                      | Warehouse distributor of<br>military apparel, outdoor<br>clothing and accessories   | 0   | 0   |
| 4703-13-03   | Allstate   | N  | Allstate/Hauppauge Office Park<br>Associates<br>878 Veterans Memorial Hwy<br>Hauppauge, NY 11788         | 856,112                                  | Insurance products  | 0   | 385   |
| 4703-13-04   | Sartorius Stedim North America                                   | N  | Sartorius Stedim North America<br>545 Johnson Ave.<br>Bohemia, NY 11716                                  | 68,811                                   | Provider of cutting-edge<br>equipment for the bio<br>pharmaceutical industry  | 20  | 150   |
| 4703-13-05   | 60 Hoffman/United Lighting and<br>Electrical Corp/Playaction LLC | N  | 60 Hoffman/United Lighting &<br>Electrical Corp/Playaction LLC<br>60 Hoffman Ave.<br>Hauppauge, NY 11788 | 52,223                                   | Wholesale and electrical<br>lighting supply/sports and<br>entertainment brand product<br>licensing  | 8   | 28  |
| 4703-13-06   | ZTA Rental Properties  | N  | ZTA Rental Properties<br>110 Wilshire Blvd.<br>Edgewood, NY 11717  | 295,126                                  | Construction of a new<br>warehouse/light manufacturing<br>building  | 0   | 0   |

See independent auditors' report.



**TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY**  
**SCHEDULE OF BONDS, NOTES AND LEASES**  
 December 31, 2017

| Project Code | Lease Project Name   | Is the applicant a<br>Not for Profit<br>corporation? | Applicant Name and Address   | Estimated<br>Amount of Tax<br>Exemptions | Purpose for which Each<br>Transaction was Made                                       | Original Estimate<br>of Jobs to be<br>Created | Original<br>Estimate of<br>Jobs to be<br>Retained |
|--------------|--|--|--|--|--|---|---|
| 4703-14-01   | The Berlerro Group LLC (Skyzone)/ZTA<br>Rental Properties L.P.               | N  | The Berlerro Group<br>111 Rodeo Drive<br>Edgewood, NY 11717                                      | \$ 84,359                                | Indoor trampoline park   | 51  | 0   |
| 4703-14-02   | Green-Flagg LLC  | N  | Green-Flagg LLC<br>61 W. Main<br>Bay Shore, NY 11706   | 62,586                                   | Downtown mixed use<br>development - New wood<br>frame construction of 2<br>buildings | 0   | 0   |
| 4703-14-03   | Kelco Construction, Inc./Freckle Face<br>Realty LLC                          | N  | Kelco Construction, Inc.<br>25 Newton Place<br>Hauppauge, NY 11788                               | -0-                                      | Large, comprehensive<br>construction and landscaping<br>installation company         | 27  | 90  |
| 4703-14-04   | Hauppauge Office Park Associates,<br>LLC                                     | N  | Hauppauge Office Park<br>Associates, LLC<br>888 Veterans Memorial Highway<br>Hauppauge, NY 11788 | -0-                                      |  | 215   | 567   |
| 4703-14-05   | Carson Optical Inc./Gilpin LLC   | N  | Carson Optical Inc./Gilpin LLC<br>2070 Fifth Avenue<br>Ronkonkoma, NY 11779                      | 50,637                                   | Manufacturer, importer and<br>distributor of optical products                        | 8   | 25  |
| 4703-14-06   | Sheralven Enterprises Ltd./Heartland<br>Boys II LP                           | N  | Sheralven Enterprises Ltd.<br>2 Rodeo Drive<br>Edgewood, NY 11717                                | 195,919                                  | Wholesale distributor of<br>fragrances   | 30  | 132   |
| 4703-14-07   | M & M Canvas & Awnings, Inc./Mere<br>Realty Holdings, LLC                    | N  | M & M Canvas & Awnings, Inc.<br>180 Oval Drive<br>Islandia, NY 11749                             | 33,455                                   | Manufacturer of awnings and<br>canvas product  | 10  | 15  |
| 4703-14-08   | ELM Freight Handlers Inc. d/b/a ELM<br>Global Logistics/Brentwood Steel, LLC | N  | ELM Freight Handlers Inc.<br>50 Emjay Boulevard<br>Brentwood, NY 11717                           | 261,392                                  | Warehousing and logistics<br>services for local and national<br>companies            | 15  | 62  |
| 4703-14-09   | J & A Coat & Apron Service Corp.   | N  | J & A Coat & Apron Service Corp.<br>56 Penataquit Avenue<br>Bay Shore, NY 11706                  | 11,529                                   | Apron, linen, napkin, shirts,<br>pants rental service                                | 8   | 15  |
| 4703-14-10   | Universal Photonics Inc./Facilities<br>Realty Management - Jetson, LLC       | N  | Universal Photonics Inc.<br>85 Jetson Lane<br>Central Islip, NY 11722                            | 120,810                                  | Warehouse and distributor of<br>polishing products                                   | 0   | 60  |

See independent auditors' report.

**TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY**  
**SCHEDULE OF BONDS, NOTES AND LEASES**  
 December 31, 2017

| Project Code | Lease Project Name  | Is the applicant a<br>Not for Profit<br>corporation? | Applicant Name and Address   | Estimated<br>Amount of Tax<br>Exemptions | Purpose for which Each<br>Transaction was Made                            | Original Estimate<br>of Jobs to be<br>Created | Original<br>Estimate of<br>Jobs to be<br>Retained |
|--------------|---|--|--|--|---|---|---|
| 4703-14-11   | All-System Aerospace International,<br>Inc./NASHA Holdings, LLC | N  | All-System Aerospace<br>International, Inc.<br>75 Beacon Drive<br>Holbrook, NY 11741 | \$ 20,142                                | Warehouse distributor of<br>helicopter and aircraft parts                 | 4   | 20  |
| 4703-14-13   | Above All Storefronts Inc./50 Gilpin<br>Corp.                   | N  | Above All Storefronts Inc.<br>50 Gilpin Avenue<br>Hauppauge, NY 11788                | 68,191                                   | Manufacturer and installer of<br>aluminum and glass<br>commercial windows | 12  | 63  |
| 4703-14-14   | Cookies United LLC/United Baking Co.<br>Inc.                    | N  | Cookies United LLC<br>141 Freeman Avenue<br>Islip, NY 11751                          | 331,203                                  | Manufacturer of baked goods   | 30  | 120   |
| 4703-14-15   | Fashioncraft-Excello Inc./Veterans<br>Highway - Holbrook, LLC   | N  | Fashioncraft-Excello Inc.<br>5050 Veteran's Mem. Hwy.<br>Holbrook, NY 11741          | 59,134                                   | Wholesale distributor of<br>wedding and other event<br>favors             | 7   | 45  |
| 4703-14-17   | Tekweld Solutions Inc./45 Rabro<br>Solutions LLC                | N  | Tekweld Solutions Inc.<br>45 Rabro Drive<br>Hauppauge, NY 11788                      | 68,159                                   | Manufacturer of promotional<br>items                                      | 40  | 80  |
| 4703-14-18   | Island Tech Services, LLC/Invesgro,<br>LLC                      | N  | Island Tech Services, LLC<br>980 S. 2nd Street<br>Ronkonkoma, NY 11779               | 15,474                                   | Computer network and service<br>company                                   | 8   | 17  |
| 4703-15-01   | Ruby Has LLC/Adscott Realty Co.                                 | N  | Ruby Has LLC/Adscott Realty Co.<br>5 Inez Drive<br>Bayshore NY, 11706                | 100,110                                  | Fulfillment, picking and<br>packing for ecommerce<br>companies            | 14  | 24  |
| 4703-15-02   | Century Direct, LLC/C. Vignola Realty<br>LLC                    | N  | Century Direct, LLC/C. Vignola<br>Realty LLC<br>15 Enter Lane<br>Islandia NY, 11749  | 79,198                                   | Commerical Printing, Mailing,<br>Data Management and<br>Computer Services | 135   | 177   |
| 4703-15-03   | Design Works Craft Inc./REP A-2022<br>LLC                       | N  | Design Works Craft Inc./REP A-<br>2022 LLC<br>70 Orville Drive<br>Bohemia, NY 11716  | 21,483                                   | Manufacturer of Arts and<br>Crafts  | 13  | 42  |
| 4703-15-04   | ABH Nature's Products   | N  | ABH Nature's Products<br>131 Heartland Blvd.<br>Edgewood, NY 11717                   | 62,463                                   | Manufacturer, packaging,<br>distributing of vitamin products              | 17  | 17  |

See independent auditors' report.

**TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY**  
**SCHEDULE OF BONDS, NOTES AND LEASES**  
 December 31, 2017

| Project Code | Lease Project Name   | Is the applicant a<br>Not for Profit<br>corporation? | Applicant Name and Address  | Estimated<br>Amount of Tax<br>Exemptions | Purpose for which Each<br>Transaction was Made   | Original Estimate<br>of Jobs to be<br>Created | Original<br>Estimate of<br>Jobs to be<br>Retained |
|--------------|--|--|---|--|--|---|---|
| 4703-15-05   | AlphaMed Bottles Inc.                                      | N  | AlphaMed Bottles Inc.<br>300 S. Technology Drive<br>Central Islip, NY 11722       | \$ 155,920                               | Manufacturer of bottles for the<br>pharmaceutical industry   | 20  | 15  |
| 4703-15-06   | Ascent Pharmaceuticals Inc. 2015<br>Facility (InvaGen II)  | N  | Ascent Pharmaceuticals Inc.<br>400 S. Technology Drive<br>Central Islip, NY 11722 | 339,061                                  | Manufacturer of generic<br>pharmaceutical products   | 100   | 390   |
| 4703-15-07   | Dealer Tire LLC/N&G Realty Co.                             | N  | Dealer Tire LLC/N&G Realty Co.<br>2040 Express Drive S<br>Hauppauge, NY 11788     | 102,782                                  | Warehouse distributor of tires   | 22  | 0   |
| 4703-15-08   | Century Direct, LLC/130 Hoffman 2015<br>facility           | N  | Century Direct, LLC<br>130 Hoffman Lane<br>Islandia, NY 11749                     | 35,012                                   | Commerical Printing, Mailing,<br>Data Management and<br>Computer Services                                | 48  | 0   |
| 4703-15-09   | Multidyne Electronics Inc./Silverback<br>Realty LLC        | N  | Multidyne Electronics Inc.<br>35 Hoffman Avenue<br>Hauppauge, NY 11788            | 34,506                                   | Manufacturer of fiber optic<br>communications equipment for<br>broadcast, cinema and ProAV<br>Industries | 13  | 17  |
| 4703-15-10   | Rubies Costume Inc./100 Pineaire<br>Drive LLC (Rubies III) | N  | Rubies Costume Inc.<br>100 Pineaire Drive<br>Bay Shore, NY 11706                  | -0-                                      | Manufacturer and distributor of<br>Halloween costumes and<br>accessories                                 | 18  | 0   |
| 4703-15-11   | Macy Estate LLC  | N  | Macy Estate LLC<br>40-46 Islip Avenue<br>Islip, NY 11751                          | 68,250                                   | Senior Housing   | 0   | 2   |
| 4703-15-12   | Northrock Industries LLC/BAMM LLC                          | N  | Northrock Industries LLC<br>31 Crossways East<br>Bohemia, NY 11716                | 29,937                                   | Manufacturer of construction<br>equipment  | 5   | 17  |
| 4703-15-13   | Qosina Corp/REP A-2027 LLC                                 | N  | Qosina Corp<br>2002 N. Orville Drive<br>Ronkonkoma, NY 11779                      | 127,544                                  | Distributor of plastic medical<br>components and cosmetic<br>disposables                                 | 10  | 102   |
| 4703-15-14   | Coline Cabinetry NY Inc./Hauppauge<br>Holding LLC          | N  | Coline Cabinetry NY Inc.<br>1795 Express Drive N<br>Hauppauge, NY 11788           | 47,813                                   | Import and assemble cabinetry<br>for residential and commercial<br>use                                   | 11  | 9   |

See independent auditors' report.

**TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY**  
**SCHEDULE OF BONDS, NOTES AND LEASES**  
 December 31, 2017

| Project Code | Lease Project Name   | Is the applicant a<br>Not for Profit<br>corporation? | Applicant Name and Address   | Estimated<br>Amount of Tax<br>Exemptions | Purpose for which Each<br>Transaction was Made   | Original Estimate<br>of Jobs to be<br>Created | Original<br>Estimate of<br>Jobs to be<br>Retained |
|--------------|--|--|--|--|--|---|---|
| 4703-15-15   | Land Tek/Islip Yards   | N  | Land Tek/Islip Yards<br>105 Sweeneydale Ave.<br>Bay Shore, NY 11706              | \$ 29,588                                | Construction of two new<br>buildings and equipment<br>storage yards.                       | 30  | 21  |
| 4703-15-16   | Robert Marsh Enterprises Inc.                                | N  | Robert Marsh Enterprises Inc.<br>100 Christopher Street<br>Ronkonkoma, NY 11779  | 20,584                                   | Distribution and selling of<br>entertainment equipment                                     | 4   | 21  |
| 4703-15-17   | Home Tile Center of NY Inc./Corfu<br>Property LLC            | N  | Home Tile Center of NY Inc.<br>165 Oval Drive<br>Islandia, NY 11749              | 42,916                                   | Importer and distributor of<br>ceramic tiles   | 4   | 6   |
| 4703-15-18   | Nationwide Exhibitors Services<br>Inc./Wm. J. Lot Realty LLC | N  | Nationwide Exhibitors Services Inc.<br>110 Windsor Pl<br>Central Islip, NY 11722 | 71,512                                   | Manufacturer of tradeshow<br>booths  | 10  | 17  |
| 4703-15-19   | Summit Manufacturing LLC                                     | N  | Summit Manufacturing LLC<br>59 Spence Street<br>Bay Shore, NY 11706              | 112,345                                  | Manufacturer of advertising<br>displays  | 11  | 225   |
| 4703-15-20   | Restaurant Depot LLC/JMDH Real<br>Estate of Bohemia LLC      | N  | Restaurant Depot LLC<br>1335 Lakeland Ave.<br>Bohemia, NY 11716                  | -0-                                      | Wholesale distributor of<br>restaurant supplies  | 9   | 73  |
| 4703-15-21   | Briad Lodging Group CI 2 LLC (2nd<br>hotel)                  | N  | Briad Lodging Group CI 2 LLC<br>0 Courthouse Drive<br>Central Islip, NY 11722    | 267,284                                  | Select service hotel with 125<br>rooms   | 30  | 0   |
| 4703-15-22   | SUNation Solar Systems Inc.                                  | N  | SUNation Solar Systems Inc.<br>171 Remington Blvd<br>Ronkonkoma, NY 11779        | 18,001                                   | Custom solar sales, design<br>and installation company                                     | 31  | 64  |
| 4703-16-01   | Hemisphere Trading/42 Windsor                                | N  | Hemisphere Trading/42 Windsor<br>42 Windsor Pl.<br>Central Islip, NY 11722       | 108,562                                  | Wholesaler/Distributor of<br>household goods   | 9   | 7   |
| 4703-16-02   | Suffolk County Industrial                                    | N  | Suffolk County Industrial<br>1724 Fifth Ave.<br>Bay Shore, NY 11706              | 1,814                                    | Conversion of 500,000 sq. ft.<br>manufacturing facility to multi<br>tenant/food production | 200   | 200   |

See independent auditors' report.

**TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY**  
**SCHEDULE OF BONDS, NOTES AND LEASES**  
 December 31, 2017

| Project Code | Lease Project Name                | Is the applicant a<br>Not for Profit<br>corporation? | Applicant Name and Address   | Estimated<br>Amount of Tax<br>Exemptions | Purpose for which Each<br>Transaction was Made                         | Original Estimate<br>of Jobs to be<br>Created | Original<br>Estimate of<br>Jobs to be<br>Retained |
|--------------|-----------------------------------|--|--|--|--|---|---|
| 4703-16-03   | Ri Wang Food Group/Paramount Land | N  | Ri Wang Food Group/Paramount Land<br>30 Inez Dr.<br>Bay Shore, NY 11706          | \$ -0-                                   | Importer/ distributor of gourmet ethnic food products                  | 57  | 0   |
| 4703-16-04   | Continental Marble/Smithtown Onyx | N  | Continental Marble/Smithtown Onyx<br>1591 Smithtown Ave.<br>Ronkonkoma, NY 11779 | -0-                                      | Manufacturer of stone and marble counter tops                          | 7   | 35  |
| 4703-16-05   | Snake Tray/239 S Fehr Way LLC     | N  | Snake Tray/239 S Fehr Way LLC<br>239 S. Fehr Way<br>Bay Shore, NY 11706          | -0-                                      | Manufacturer of cable and power distribution trays                     | 17  | 35  |
| 4703-16-06   | JVR Electric, Inc.                | N  | JVR Electric, Inc.<br>160 Gary Way<br>Ronkonkoma, NY 11779                       | -0-                                      | Electrical contractors   | 12  | 18  |
| 4703-16-07   | B&S Fragrances & Cosmetics        | N  | B&S Fragrances & Cosmetics<br>25 Ranick Rd.<br>Hauppauge, NY 11788               | 5,760                                    | Cosmetic and fragrance distributor                                     | 12  | 17  |
| 4703-16-08   | East/West Industries              | N  | East/West Industries<br>2001 N. Orville<br>Ronkonkoma, NY 11779                  | 34,147                                   | Aerospace/defense manufacturer   | 23  | 60  |
| 4703-16-09   | M S International                 | N  | M S International<br>50 Heartland Blvd.<br>Brentwood, NY 11717                   | 128,627                                  | Warehouse/distribution of flooring, countertops, tile, and hardscaping | 15  | 0   |
| 4703-16-11   | Crown Royal Ventures              | N  | Crown Royal Ventures<br>1555 Locust Ave.<br>Bohemia, NY 11716                    | 129,098                                  | Construction of multi-tenanted industrial building                     | 6   | 6   |
| 4703-16-12   | Avco Industries (Freeport Paper)  | N  | Avco Industries<br>120 Windsor Ave.<br>Central Islip, NY 11722                   | -0-                                      | Paper manufacturer   | 30  | 120   |
| 4703-16-13   | Best Yet Market LLC               | N  | Best Yet Market LLC<br>1724 Fifth Ave.<br>Bay Shore, NY 11706                    | 119,350                                  | Corporate HQ, food distribution, food incubator                        | 200   | 0   |

See independent auditors' report.

**TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY**  
**SCHEDULE OF BONDS, NOTES AND LEASES**  
 December 31, 2017

| Project Code | Lease Project Name               | Is the applicant a<br>Not for Profit<br>corporation? | Applicant Name and Address   | Estimated<br>Amount of Tax<br>Exemptions | Purpose for which Each<br>Transaction was Made                             | Original Estimate<br>of Jobs to be<br>Created | Original<br>Estimate of<br>Jobs to be<br>Retained |
|--------------|----------------------------------|--|--|--|--|---|---|
| 4703-17-1    | Designs for Vision 2017          | N  | Designs for Vision<br>4000 Veterans Memorial Highway<br>Bohemia, NY 11716        | \$ 195,132                               | design, engineer, and<br>manufacture optical and<br>illumination devices   | 5   | 151   |
| 4703-17-11   | CVD Materials                    | N  | CVD Materials<br>555 North Research Place<br>Central Islip, NY 11722             | -0-                                      | high-tech manufacturing  | 20  | 166   |
| 4703-17-12   | Towne Bus Corp                   | N  | Towne Bus Corp<br>108 Hoffman Lane<br>Islandia, NY 11749                         | -0-                                      | bus transportation   | 160   | 0   |
| 4703-17-3    | Kenco LLC                        | N  | Kenco LLC<br>2175 5th Ave.<br>Ronkonkoma, NY 11779                               | 8,195                                    | manufacturer of aircraft parts<br>and assemblies                           | 4   | 43  |
| 4703-17-4    | Lab Crafters 2017                | N  | Lab Crafters 2017<br>2085 5th Ave.<br>Ronkonkoma, NY 11779                       | 54,285                                   | manufacturer of metal furniture<br>for laboratories and other<br>customers | 18  | 95  |
| 4703-17-6    | Smart USA                        | N  | Smart USA<br>1440 5th Ave.<br>Bay Shore, NY 11706                                | 56,008                                   | manufacturer of aluminum and<br>plastic food containers                    | 35  | 0   |
| 4703-17-7    | Bay Shore Main & 4th             | N  | Bay Shore Main & 4th<br>1 East Main Street<br>Bay Shore, NY 11706                | 56,250                                   | mixed use downtown<br>development  | 45  | 0   |
| 4703-17-8    | M&M Canvas 2017                  | N  | M&M Canvas<br>200 Oval Drive<br>Islandia, NY 11749                               | 10,526                                   | manufacture awnings, powder<br>coating                                     | 8   | 20  |
| 4703-17-9    | Competition Architectural Metals | N  | Competition Architectural Metals<br>10-40 Constance Court<br>Hauppauge, NY 11788 | 25,137                                   | Manufacturer of architectural<br>metal and glass products                  | 9   | 21  |
| 4703-96-06A  | Cintas Corporation               | N  | Cintas Corporation<br>500 South Research Pl.<br>Central Islip, NY 11722          | -0-                                      | Commercial Laundry Services  | 75  | 45  |

See independent auditors' report.

**TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY**  
**SCHEDULE OF BONDS, NOTES AND LEASES**  
 December 31, 2017

| Project Code | Lease Project Name   | Is the applicant a<br>Not for Profit<br>corporation? | Applicant Name and Address  | Estimated<br>Amount of Tax<br>Exemptions | Purpose for which Each<br>Transaction was Made   | Original Estimate<br>of Jobs to be<br>Created | Original<br>Estimate of<br>Jobs to be<br>Retained |
|--------------|----------------------|--|---|--|--|---|---|
| 4703-97-06A  | Creative Bath        | N  | Creative Bath/Cellu Tissue<br>555 North Research<br>Central Islip, NY 11722 | \$ 411,537                               | Injection Molding Mfr. in<br>Empire Zone   | 50  | 250   |
| 4703-98-09A  | NBTY/Cartwright Loop | N  | NBTY/Cartwright Loop<br>10 Vitamin Dr.<br>Bayport, NY 11705                 | 162,041                                  | Gelcap Mfr. Facility/New<br>Industrial Park  | 118   | -0-   |
| 4703-98-11A  | Dayton T. Brown Inc. | N  | Dayton T. Brown Inc.<br>1195 Church St.<br>Bohemia, NY 11716                | -0-                                      | Expansion of Testing Facilities  | 21  | 305   |
| 4703-98-15A  | Jetro Cash & Carry   | N  | Jetro Cash & Carry<br>1335 Lakeland Ave.<br>Bohemia, NY 11716               | -0-                                      | Commercial Food/Rest.<br>Supplies  | 45  | -0-   |
| 4703-98-16A  | NBTY/105 Orville     | N  | NBTY/105 Orville<br>105 Orville Dr.<br>Bohemia, NY 11716                    | -0-                                      | Tablet Manufacturing<br>Facility/One of Multiple NBTY<br>Facilities (See Prev. Ann. Rep) | 100   | 599   |
| 4703-99-09A  | Rothco               | N  | Rothco<br>3015 Veterans Mem. Hwy.<br>Ronkonkoma, NY 11779                   | 69,723                                   | Distributor of Military Surplus<br>Products  | 30  | 70  |

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



## 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 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, 2017, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated May 10, 2018.

**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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a deficiency in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be material weaknesses, which is identified as 2017-001.

PERSONAL SERVICE. TRUSTED ADVICE.

ALBRECHT, VIGGIANO, ZURECK & COMPANY, P.C.

245 PARK AVENUE, 39TH FLOOR  
NEW YORK, NY 10167  
T: 212.792.4075

25 SUFFOLK COURT  
HAUPPAUGE, NY 11788-3715  
T: 631.434.9500 F: 631.434.9518

www.avz.com  
INDEPENDENT MEMBER OF BKR INTERNATIONAL

## **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*.

## **The Agency's Response to Findings**

The Agency's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Agency's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

## **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.

*Albert, Varghese, Zuck & Conroy P.C.*

Hauppauge, New York  
May 10, 2018





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, 2017 through December 31, 2017.

**Management's Responsibility**

Management of the Agency 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 with their investment policy 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, 2017 through December 31, 2017.

**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  
May 10, 2018

**BEYOND THE NUMBERS...**

ALBRECHT, VIGGIANO, ZURECK & COMPANY, P.C.

245 PARK AVENUE, 39TH FLOOR  
NEW YORK, NY 10167  
T: 212.792.4075

25 SUFFOLK COURT  
HAUPPAUGE, NY 11788-3715  
T: 631.434.9500 F: 631.434.9518

WWW.AVZ.COM  
INDEPENDENT MEMBER OF BKR INTERNATIONAL

**TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
Year Ended December 31, 2017

**FINDINGS – FINANCIAL STATEMENT AUDIT**

**2017-001 INVOICING - MATERIAL WEAKNESS**

Condition

The Town of Islip Industrial Development Agency, New York's revenues reflected additional amounts in error, due to the miscalculation for one project fee charged by the Agency.

Criteria

Management is responsible for establishing procedures to create and monitor the invoicing of the Agency. Management should perform a review of the invoice prior to finalization to ensure that amounts are calculated correctly, and proper documentation is maintained to support the calculation.

Cause

The Town of Islip Industrial Development Agency, New York did not have sufficient procedures in place to review invoices to ensure the project fees being charged are correct.

Effect

Agency fees were overstated by \$92,400 at the end of the year.

Recommendation

The Agency should address the process of reviewing and reconciling invoices.

Views of Responsible Officials and Planned Corrective Actions

The Town of Islip Industrial Development Agency agrees with this comment and has already made adjustments to procedures to ensure proper review and reconciliation of invoices prior to collection of agency fees. This recommendation was communicated in the prior year management comment letter and the adjustments to procedures were made immediately. The one instance of occurrence in 2017 was in January, which pre-dated the issuance of the prior year management comment letter.