

**TOWN OF ISLIP INDUSTRIAL
DEVELOPMENT AGENCY**

**FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
(WITH INDEPENDENT AUDITORS' REPORT)**

Year Ended December 31, 2021

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INDEPENDENT AUDITORS' REPORT

The Agency Board
Town of Islip Industrial Development Agency
Islip, New York

Report on the Audit of the Financial Statements

Opinion

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, 2021, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the business-type activities of the Agency, as of December 31, 2021, and the 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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.

Responsibilities of Management for the Financial Statements (continued)

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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.

Required Supplementary Information (continued)

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 that collectively comprise the Agency's basic financial statements. The accompanying Schedule of Bonds, Notes and Leases is presented for purposes of additional analysis 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.

In connection with our audit of the financial statements, our responsibility is to read the other supplementary information and consider whether a material inconsistency exists between the other supplementary information and the financial statements, or the other supplementary information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated May 24, 2022, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

PKF O'Connor Davies, LLP

Hauppauge, New York
May 24, 2022

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, 2021. Please read this information in conjunction with the financial statements. Management's Discussion and Analysis is Required Supplementary Information specified by the Governmental Accounting Standards Board in their Statement No. 34.

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, 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.

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.

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

FINANCIAL ANALYSIS OF THE AGENCY (continued)

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:

	2021	2020
Assets		
Current and other assets	\$ 9,910,560	\$ 5,779,349
Capital assets	8,060	10,363
Total Assets	9,918,620	5,789,712
Liabilities		
Current and other liabilities	3,655,606	1,146,046
Total Liabilities	3,655,606	1,146,046
Net Position		
Investment in capital assets	8,060	10,363
Unrestricted	6,254,954	4,633,303
Total Net Position	\$ 6,263,014	\$ 4,643,666

Total assets as of December 31, 2021 were \$9,918,620, which exceeded total liabilities by \$6,263,014 (i.e. net position). Of the Agency's net position, \$8,060 was an investment in capital assets, and \$6,254,954 was unrestricted, which is available to support operations. Total assets increased by \$4,128,908 between December 31, 2021 and 2020 primarily due to the increase in cash as compared to prior year. Total liabilities increased \$2,509,560 primarily due to an increase in amount due to other governments. The net position increased by \$1,619,348 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 for the years ended December 31st are presented as follows:

	2021	2020
Operating Revenues		
Charges for services	\$ 2,509,671	\$ 848,114
Other operating revenues	10,000	-0-
Total Operating Revenues	2,519,671	848,114
Operating Expenses		
Contractual goods and services	787,803	572,490
Capital Project Assistance Program	125,000	-0-
COVID-19 Assistance Program	2,533	247,467
Depreciation	2,303	2,303
Total Operating Expenses	917,639	822,260
Operating Income	1,602,032	25,854
Non-Operating Revenue	17,316	35,646
Change in Net Position	1,619,348	61,500
Net Position at Beginning of Year	4,643,666	4,582,166
Net Position at End of Year	\$ 6,263,014	\$ 4,643,666

The Agency's operating revenues increased \$1,671,557 from \$848,114 in 2020 to \$2,519,671 in 2021. The increase is due to larger projects in the current year, resulting in higher project closing fees as compared to the prior year, as well as more projects closing in the current year. The expenses increased \$95,379 from \$822,260 in 2020 to \$917,639 in 2021. The increase in expenses is mainly due to the Agency's increase in capital project assistance program and administration expenditures. These increases were partially offset by decreases in the COVID-19 assistance program expenditures.

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.

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

ECONOMIC FACTORS AND NEXT YEAR'S PLAN (continued)

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.

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, 2021

ASSETS

Current Assets:

Cash and cash equivalents		\$ 9,910,560
	Total Current Assets	9,910,560

Non-current Assets:

Depreciable capital assets, net of depreciation		8,060
	Total Assets	9,918,620

LIABILITIES

Current Liabilities:

Accounts payable and accrued expenses		64,773
Due to other governments		3,590,833
	Total Current Liabilities	3,655,606

NET POSITION

Investment in capital assets		8,060
Unrestricted		6,254,954
	Total Net Position	\$ 6,263,014

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, 2021

OPERATING REVENUES:

Charges for services	\$	2,509,671
Other operating revenues		<u>10,000</u>
Total Operating Revenues		<u>2,519,671</u>

OPERATING EXPENSES:

Administration		585,872
Advertising and promotion		139,507
Dues and subscriptions		7,234
Depreciation		2,303
Professional fees		46,078
Office expense		244
Travel and conferences		8,868
Capital project assistance program		125,000
COVID-19 assistance program		<u>2,533</u>
Total Operating Expenses		<u>917,639</u>
Income from Operations		<u>1,602,032</u>

NON-OPERATING REVENUES:

Interest and investment income		7,316
Miscellaneous Income		<u>10,000</u>
Total Non-Operating Revenues		<u>17,316</u>

Change in Net Position 1,619,348

Net Position at Beginning of Year 4,643,666

Net Position at End of Year \$ 6,263,014

See notes to the financial statements.

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY
STATEMENT OF CASH FLOWS
Year Ended December 31, 2021

CASH FLOWS FROM OPERATING ACTIVITIES

Cash received from customers, clients and tenants	\$ 2,519,671
Cash payments for operating expenses	<u>(979,049)</u>
Net Cash From Operating Activities	<u>1,540,622</u>

CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES

Cash received from payments in lieu of taxes	27,385,372
Cash received from other non-operating activities	10,000
Cash paid for payments in lieu of taxes	<u>(24,808,099)</u>
Net Cash From Non-Capital Financing Activities	<u>2,587,273</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income	<u>7,316</u>
Net Cash From Investing Activities	<u>7,316</u>

Net Change in Cash and Cash Equivalents 4,135,211

Cash and Cash Equivalents at Beginning of Year	<u>5,775,349</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 9,910,560</u></u>

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

Income from operations	\$ 1,602,032
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	2,303
(Increase) decrease in prepaid expenses	4,000
Increase (decrease) in liabilities accounts payable and accrued expenses	<u>(67,713)</u>
Net Cash Provided by Operating Activities	<u><u>\$ 1,540,622</u></u>

See notes to the financial statements.

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

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 responsibilities 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 accounting principles generally accepted in the United States of America ("GAAP"). The Governmental Accounting Standards Board ("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
DECEMBER 31, 2021

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 a 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, if any, 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. 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
DECEMBER 31, 2021

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 sources of operating revenue are from bond issuance and lease fees, which are computed as a percentage of the total project. Fees are recorded as operating income when earned at the time of closing on the sale of bonds and straight lease agreements. All other revenues are considered non-operating revenues.

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, 2021 was approximately \$75,000.

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 May 24, 2022, which is the date the financial statements were available to be issued.

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

A. Summary of Significant Accounting Policies (continued)

12. New Accounting Standards

The Agency has adopted all of the current Statements of the Governmental Accounting Standards Board ("GASB") that are applicable. The implementation of the applicable Statements had no impact on the Agency.

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, 2021, 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
DECEMBER 31, 2021

C. Capital Assets

Capital asset activity for the year ended December 31, 2021 is as follows:

	<u>Balance</u> <u>01/01/21</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/21</u>
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	\$ 19,343	\$ 2,303		21,646
Software	15,000			15,000
Total accumulated depreciation	<u>\$ 34,343</u>	<u>\$ 2,303</u>	<u>\$ -0-</u>	<u>36,646</u>
Total net depreciable assets				<u>\$ 8,060</u>

Depreciation expense totaled \$2,303 for the year ended December 31, 2021.

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, 2021, 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
DECEMBER 31, 2021

D. Revenues (continued)

Agency Fee Structure

- 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 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 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, 2021, 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
DECEMBER 31, 2021

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, 2021, there were 144 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 \$203,450 and the estimated fair market rental value of office space provided to the Agency by the Town was \$12,000 for the year ended December 31, 2021. The total value of \$215,450 is reported as administration expenses on the financial statements. The Agency reimbursed the Town a total of \$215,450 in 2021.

J. Recapture of Benefits Payments

The Agency is empowered by its enabling legislation to grant various benefits in connection with qualifying projects it agrees to help finance, including granting exemptions from the imposition of sales and use taxes on purchases of materials and equipment for use in connection with a project. However, it is the policy of the Agency to grant benefits with respect to a qualifying project only in return for a commitment from the business receiving the Agency benefits to operate and maintain the project for a minimum of five to thirty years. Failure to do so results in financial penalties being imposed on the business in the form of a required recapture of benefits payment, the severity of which is dependent upon the length of time the project is, in fact, operated and maintained pursuant to the applicable project financing documentation.

As required under the 2013 Budget Law, effective beginning in March 2013, the Agency remits any applicable sales and use taxes recaptured to New York State and other designated tax jurisdictions, including any real property tax and mortgage recording tax benefits recaptured. The Agency imposed 2 recaptures for the year ended December 31, 2021, in the amount of \$212,595.50, which was issued to the appropriate taxing jurisdictions.

K. New Pronouncements Not Yet Effective

GASB has issued several statements which are to be implemented in future years. The Agency is currently evaluating the impact of the various pronouncements on its financial statements.

OTHER SUPPLEMENTARY INFORMATION

TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF BONDS, NOTES AND LEASES
December 31, 2021

<u>Project Code</u>	<u>Bond or Note Project Name</u>	<u>Total Project Amount</u>	<u>Is the applicant a Not for Profit corporation?</u>	<u>Applicant Name and Address</u>	<u>Estimated Amount of Net Tax Exemptions</u>	<u>Purpose for which Bond or Note was Issued</u>	<u>Date of Issue</u>	<u>Interest Rate</u>	<u>Year Financial Assistance is Planned to End</u>	<u>Federal Tax Status of Bonds</u>	<u>Original Estimate of Jobs to be Created</u>	<u>Original Estimate of Jobs to be Retained</u>
4703-01-08A	Court Plaza Senior Apts.	\$ 15,000,000	N	Court Plaza Senior Apts. 1 Hoppin Dr. Central Islip, NY 11772	\$ 807,846	NYS Tax Credit Senior Housing in Empire Zone	12/28/2001	5.70%	2017	Tax-Exempt	4	-0-
4703-99-03A	Alria Assisted Living	16,000,000	N	Forest City Daly 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 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	503,938	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, 2021

<u>Project Code</u>	<u>Lease Project Name</u>	<u>Is the applicant a Not-for-Profit corporation?</u>	<u>Applicant Name</u>	<u>Applicant Address</u>	<u>Estimated Amount of Tax Exemptions</u>	<u>Purpose for which Each Transaction was Made</u>	<u>Original Estimate of Jobs to be Created</u>	<u>Original Estimate of Jobs to be Retained</u>
4703-01-05A	22-50 Jackson Ave. Associates	N	22-50 Jackson Ave, Associates	One Executive Dr. EDGEWOOD NY11717	\$ 2,490,636	Multi year, mixed use development	0	13
4703-05-03A	267 Carleton Ave. Associates	N	267 Carleton Ave, Associates	267 Carleton Ave.CENTRAL ISLIPNY11722	67,441	Professional Office Empire Zone	9	29
4703-19-12	46 Windsor LLC	N	46 Windsor LLC	46-48 Windsor PlaceRONKONKOMANY11779	23,270	multi tenant industrial building	33	0
4703-19-08	55 Paradise Lane Realty LLC	N	55 Paradise Lane Realty LLC	55 Paradise LaneRICHMOND HILLNY11418	-0-	speculative industrial building	65	0
4703-13-05	60 Hoffman/United Lighting and Electrical Corp/Playaction LLC	N	60 Hoffman/United Lighting and Electrical Corp/Playaction LLC	60 Hoffman AvenueHAUPPAUGENY11788	35,363	Wholesale and electrical lighting supply/sports and entertainment brand product licensing	8	28
4703-19-16	80 Wilshire Blvd L.P.	N	80 Wilshire Blvd. L.P	80 Wilshire BlvdEDGEWOODNY11717	32,205	multi tenant industrial building	80	0
4703-06-06A	A.G. Metropolitan	N	A.G. Metropolitan	3500 Sunrise Hwy,GREAT RIVERNY11739	894,120	Office Complex	900	500
4703-19-20	ABH Nature's Products	N	ABH Nature's Products	131 Heartland Blvd.EDGEWOODNY11717	54,952	manufacturer, packager, and distributor of vitamin products	0	0
4703-19-22	Above All Storefronts Inc. / 50 Gilpin	N	Above All Storefronts Inc.	50 Gilpin Ave.HAUPPAUGENY11788	44,153	manufacturer and installer of aluminum and glass commercial windows	0	0
4703-18-09	Agilitas Energy LLC	N	Agilitas Energy LLC	440 Blydenburgh Rd.WAKEFIELDMA01880	186,477	Solar Farm Sales tax only project	0	0
4703-04-05A	Alcan Packaging	N	Alcan Packaging	10 Wilshire Blvd.EDGEWOODNY11717	-0-	Mfr. Of Flexible Packaging Roll Labels	100	0
4703-14-11	All-System Aerospace International, Inc./NASHA Holdings, LLC	N	All-System Aerospace International, Inc./NASHA Holdings, LLC	75 Beacon DriveHOLBROOKNY11741	139,590	Warehouse distributor of helicopter and aircraft parts	4	20
4703-13-03	Allstate	N	Allstate/Hauppauge Office Park Associates	878 Veterans Memorial HwyHAUPPAUGENY11788	14,646	Insurance products	0	385
4703-15-05	AlphaMed Bottles Inc.	N	Alphamed Bottles Inc.	300 S. Technology DriveCENTRAL ISLIPNY11722	2,017,805	Manufacturer of bottles for the pharmaceutical industry	20	15
4703-20-03	Alphamed Realty LLC	N	Alphamed Realty	325 S. Technology DriveCENTRAL ISLIPNY11722	348,718	warehouse and distribute pharmaceuticals	18	0
4703-11-06A	American Tire/121 Wilshire LLC	N	American Tire	121 Wilshire Blvd.EDGEWOODNY11717	92,357	Distributor of Automobile Tires	25	0

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TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF BONDS, NOTES AND LEASES
 December 31, 2021

<u>Project Code</u>	<u>Lease Project Name</u>	<u>Is the applicant a Not-for-Profit corporation?</u>	<u>Applicant Name</u>	<u>Applicant Address</u>	<u>Estimated Amount of Tax Exemptions</u>	<u>Purpose for which Each Transaction was Made</u>	<u>Original Estimate of Jobs to be Created</u>	<u>Original Estimate of Jobs to be Retained</u>
4703-15-06	Ascent Pharmaceuticals Inc. 2015 Facility (InvaGen II)	N	Ascent Pharmaceuticals Inc. 2015 Facility (InvaGen II)	400 S. Technology DriveCENTRAL ISLIPNY11722	1,117,199	Manufacturer of generic pharmaceutical products	100	390
4703-18-02	Atlantic Vet/75 Sunrise 2017 facility	N	75 Sunrise LLC	75 Sunrise Hwy.WEST ISLIPNY11795	167,962	veterinary hospital	10	106
4703-16-07	B&S Fragrances & Cosmetics	N	B&S Fragrances & Cosmetics	25 Ranick Rd.HAUPPAUGENY11788	43,950	Cosmetic and fragrance distributor Manufacturer of high performance lighting systems for commercial and business jet aircraft	12	17
4703-13-01	B/E Aerospace Inc./Four L Realty	N	B/E Aerospace Inc./ Four L Realty	355 Knickerbocker Ave.BOHEMIANY11716	57,640		30	154
4703-18-03	Bancker Construction	N	Bancker Construction	171 Freeman Ave.ISLANDIANY11749	45,466	municipal construction company	15	30
4703-17-7	Bay Shore Main & 4th	N	Michael Butler	1 East Main StreetSAG HARBORNY11963	135,592	mixed use downtown development	45	0
4703-19-09	Bay Shore Senior Residence LLC	N	Bay Shore Senior Housing LLC	28-34 Park AvenueLEVITTOWNNY11756	586,563	senior affordable housing	2	0
4703-18-11	Big Apple Sign Corp	N	Khalfan Realty, LLC	3 Oval DrNEW YORKNY10001	-0-	Manufacturer/packaging of signage, visual display, digital printing	14	105
4703-12-02A	Briad Development East LLC	N	Briad Development East LLC	N/E/C Carleton Ave and Courthouse DriveCENTRAL ISLIPNY11722	113,583	4 story, 125 room, all-suite extended stay hotel	30	0
4703-19-21	Briad Lodging Group CI 2 LLC (2nd Hotel)	N	Briad Lodging Group CI 2 LLC	11 Courthouse DriveCENTRAL ISLIPNY11722	989,416	select service hotel with 125 rooms	0	0
4703-18-07	Brightview Sayville, LLC	N	Brightview Sayville, LLC	0 Broadway AveBALTIMOREMD21210	726,444	Assisted Living Facility Service provider of investor communications and technology driven solutions to banks, broker-dealers, mutual	78	0
4703-12-06A	Broadridge Investor Communications Inc.	N	Broadridge Investor Communications Inc.	300 Executive DriveBRENTWOODNY11717	53,190		0	1500
4703-01-10A	Broadway West	N	Broadway West	75 Springfield Rd.BRENTWOODNY11717	76,121	Senior Housing	0	0
4703-18-17	Brothers Duo 3 LLC	N	Brothers Duo 3, LLC	0 Carleton AvenueHAUPPAUGENY11788	259,368	Youth atheletic fields for team play, tournaments, training Designs and manufacturers capital equipment including chemical vapor desposition furnaces and gas flow control	62	52
4703-11-11A	CVD Equipment (C)	N	CVD Equipment	355 S Technology DrCENTRAL ISLIPNY11722	331,788		17	159
4703-17-11	CVD Materials	N	Glen Charles	555 North Research PlaceCENTRAL ISLIPNY11722	413,212	high-tech manufacturing	20	166

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SCHEDULE OF BONDS, NOTES AND LEASES
 December 31, 2021

<u>Project Code</u>	<u>Lease Project Name</u>	<u>Is the applicant a Not-for-Profit corporation?</u>	<u>Applicant Name</u>	<u>Applicant Address</u>	<u>Estimated Amount of Tax Exemptions</u>	<u>Purpose for which Each Transaction was Made</u>	<u>Original Estimate of Jobs to be Created</u>	<u>Original Estimate of Jobs to be Retained</u>
4703-19-11	Cabinetry by Design	N	Cabinetry by Design	1000 Sylvan Ave DEER PARK NY 11729	440,422	manufacturer of fine cabinetry	12	44
4703-14-05	Carson Optical Inc./Gilpin LLC	N	Carson Optical Inc./Gilpin LLC	2070 Fifth Avenue RONKONKOMANY 11779	-0-	Manufacturer, importer and distributor of optical products	8	25
4703-15-08	Century Direct, LLC/130 Hoffman 2015 facility	N	Century Direct LLC/130 Hoffman 2015 Facility	130 Hoffman Lane ISLANDIANY 11749	30,759	Commerical Printing, Mailing, Data Management and Computer Services	48	0
4703-15-02	Century Direct, LLC/C. Vignola Realty LLC	N	Century Direct LLC/C. Vignola Realty LLC	15 Enter Lane ISLANDIANY 11749	221,854	Commerical Printing, Mailing, Data Management and Computer Services	135	177
4703-19-06	Certified Interiors	N	Certified Interiors	300 Rabro Drive HOLBROOK NY 11741	38,142	building construction and cabinetry manufacturer	20	53
4703-15-14	Coline Cabinetry NY Inc./Hauppauge Holding LLC	N	Coline Cabinetry NY Inc./Hauppauge Holding LLC	1795 Express Drive NHAUPPAUGENY 11788	86,279	Import and assemble cabinetry for residential and commercial use	11	9
4703-17-9	Competition Architectural Metals	N	Competition Architectural Metals	10-40 Constance Court FARMINGDALE NY 11735	127,920	Manufacturer of architectural metal and glass products	9	21
4703-06-04A	Constance Foods/Aerotech	N	Constance Foods/Aerotech	545 Johnson Ave. BOHEMIAN NY 11716	-0-	Food Mfr. & Distribution for 7 Eleven Corp.	288	97
4703-16-04	Continental Marble/Smithtown Onyx	N	Continental Marble/Smithtown Onyx	1591 Smithtown Ave. RONKONKOMANY 11779	34,336	Manufacturer of stone and maribe counter tops	7	35
4703-14-14	Cookies United LLC/United Baking Co. Inc.	N	Cookies United LLC/United Baking Co. Inc.	141 Freeman Avenue ISLIP NY 11751	39,731	Manufacturer of baked goods	30	120
4703-18-08	Cottonwood Metals	N	Cottonwood Metals Inc	1700 Ocean Ave BOHEMIAN NY 11716	174,194	manufacture metal fasteners	8	22
4703-00-09A	Courthouse Corporate Ctr.	N	Courthouse Corporate Ctr.	320 Carleton Ave. CENTRAL ISLIP NY 11722	15,817	NYS Tax Credit Senior Housing in Empire Zone	4	0
4703-16-11	Crown Royal Ventures	N	Crown Royal Ventures	1555 Locust Ave. BOHEMIAN NY 11716	275,870	Class A Office in Empire Zone	3	0
4703-15-07	Dealer Tire LLC/N&G Realty Co.	N	Dealer Tire LLC/N&G Realty Co.	2040 Express Drive SHAUPPAUGENY 11788	35,773	Construction of multi-tenanted industrial building	6	6
4703-15-03	Design Works Craft Inc./REP A-2022 LLC	N	Design Works Craft Inc./REP A-2022 LLC	70 Orville Drive BOHEMIAN NY 11716	810,057	Warehouse distributor of tires	22	0

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TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF BONDS, NOTES AND LEASES
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<u>Project Code</u>	<u>Lease Project Name</u>	<u>Is the applicant a Not-for-Profit corporation?</u>	<u>Applicant Name</u>	<u>Applicant Address</u>	<u>Estimated Amount of Tax Exemptions</u>	<u>Purpose for which Each Transaction was Made</u>	<u>Original Estimate of Jobs to be Created</u>	<u>Original Estimate of Jobs to be Retained</u>
4703-17-1	Designs for Vision 2017	N	Designs for Vision 2017	4000 Veterans Memorial Highway RONKONKOMANY11779	597,605	Manufacturer of Arts and Crafts	13	42
4703-14-08	ELM Freight Handlers Inc. d/b/a ELM Global Logistics/Brentwood Steel, LLC	N	ELM Freight Handlers Inc. d/b/a ELM Global Logistics/Brentwood Steel, LLC	50 Emjay Boulevard BRENTWOODNY11717	54,956	design, engineer, and manufacture optical and illumination devices	5	151
4703-19-24	East/West Industries	N	East/West Industries	2001 N. Orville Dr. RONKONKOMANY11779	124,351	Warehousing and logistics services for local and national companies	15	62
4703-19-02	Edgewood Energy	N	Edgewood Energy LLC	21 Sagtikos Parkway BRENTWOODNY11717	14,728	Aerospace/defense manufacturer	0	0
4703-20-05	Eleven Maple Avenue Associates LLC	N	Eleven Maple Avenue Associates LLC	11 Maple Avenue BAY SHORENY11706	120,782	natural gas powered generation facility	0	5
4703-19-03	Emergency Ambulance Services	N	1600 LRE LLC	1600 Locust Avenue BOHEMIANY11716	227,441	multi-family housing	3	0
4703-14-15	Fashioncraft-Excello Inc./Veterans Highway - Holbrook, LLC	N	Fashioncraft-Excello Inc./Veterans Highway - Holbrook, LLC	5050 Veteran's Mem. Hwy HOLBROOKNY11741	55,965	service - medical transportation	60	140
4703-09-01A	Fed Ex Ground/Laz Bur	N	Laz Bur Co.	5901 Veterans Mem. Hwy. GARDEN CITYNY11530	2,105,949	Assisted Living Facility	55	0
4703-16-12	Freeport Paper/Avco Industries	N	Avco Industries (Freeport Paper)	120 Windsor Ave. CENTRAL ISLIPNY11722	39,080	Wholesale distributor of wedding and other event favors	7	45
4703-10-01A	GE Aviation/GL II Assoc.	N	GE Aviation/GL	1000 MacArthur Mem. Hwy. BOHEMIANY11716	416,769	Package Transportation	16	62
4703-17-10	Galil Importing Corp	N	Galil Importing	45 Gilpin Ave. SYOSSETNY11791	38,320	Assisted Living	40	0
4703-14-02	Green-Flagg LLC	N	Green-Flagg LLC	61 W. Main BAY SHORENY11706	3,947	Paper manufacturer	30	120
4703-18-06	Gull Haven Commons	N	gull haven commons LLC	0 Carleton Avenue BAY SHORENY11706	-0-	Manufacturer of Aviation Electronics	52	227
4703-14-04	Hauppauge Office Park Associates, LLC	N	Hauppauge Office Park Associates, LLC	888 and 898 Veterans Memorial Highway HAUPPAUGENY11788	63,109	Food Importer and Distributor development - New wood frame construction of 2 buildings - studio apts, 1 bedroom apts, 2 bedroom apts	6	24
4703-07-02A	Heartland Boys/US Alliance RE	N	US Alliance/Heartland Boys	101 Heartland Blvd. EDGEWOODNY11717	19,161		0	0

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TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY
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Project Code	Lease Project Name	Is the applicant a Not-for-Profit corporation?	Applicant Name	Applicant 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
4703-16-01	Hemisphere Trading/42 Windsor	N	Hemisphere Trading/42 Windsor	42 Windsor PlCENTRAL ISLIPNY11722	142,471	multifamily housing	7	0
4703-18-15	Hilo Equipment & Services	N	Hilo Equipment & Service	845 S. First SIRONKONKOMANY11779	92,406	Professional Office Building	215	567
4703-19-01	Iberia Fashion	N	Iberia Fashion LLC	1636 5th AvenueRIDGEWOODNY11385	714,772	Paper Manufacturer/ Real Estate	23	77
4703-11-05A	Invagen Pharmaceuticals	N	Invagen Pharmaceuticals	550 S. Research WayCENTRAL ISLIPNY11722	-0-	Wholesaler/Distributor of household goods Sales, service and rental of various material handling equipment and overhead doors	9	7
4703-14-18	Island Tech Services, LLC/Invesgro, LLC	N	Island Tech Services, LLC/Invesgro, LLC	980 S. 2nd StreetRONKONKOMANY11779	-0-	Design, manufacture, warehouse and distribute clothing for fashion industry	13	103
4703-14-09	J & A Coat & Apron Service Corp.	N	J & A Coat & Apron Service Corp.	56 Penataquit AvenueBAY SHORENY11706	76,401	Generic Pharmaceutical Manufacturer	38	17
4703-16-06	JVR Electric, Inc.	N	JVR Electric, Inc.	160 Gary WayRONKONKOMANY11779	60,439	Computer network and service company	150	0
4703-18-01	Jack Pedowitz Enterprises	N	Jack Pedowitz Enterprises	1765 Express Dr. N.COPIAGUENY11726	48,794	Apron, linen, napkin, shirts, pants rental service	8	17
4703-98-15A	Jetro Cash & Carry	N	Jetro Cash & Carry	1335 Lakeland Ave.BOHEMIANY11716	446,042	Electrical contractors	8	15
4703-03-10A	Jetro Cash & Carry II	N	Jetro Cash & Carry II	1335 Lakeland Ave.BOHEMIANY11716	10,675	Construction rigging equipment	12	18
4703-14-03	Kelco Construction, Inc./Freckle Face Realty LLC	N	Kelco Construction, Inc./Freckle Face Realty, LLC	25 Newton PlaceHAUPPAUGENY11788	8,130	Commercial Food/Rest. Supplies	15	82
4703-17-3	Kenco LLC	N	Kenco LLC	2175 5th Ave.RONKONKOMANY11779	12,024	Commercial Food/Rest. Supplies/Expansion	45	0
4703-19-15	Kundig Contracting Inc.	N	Kundig Contracting	2076 5th AvenueRONKONKOMANY11779	47,463	Large, comprehensive construction and landscaping installation company	6	58
4703-18-18	La Ricura Foods	N	La Ricura Foods, LTD	151 Alkier SHICKSVILLENY11801	36,952	manufacturer of aircraft parts and assemblies	27	90
4703-17-4	Lab Crafters 2017	N	Lab Crafters	2085 5th Ave.RONKONKOMANY11779	-0-	custom commercial woodworking and cabinetry	4	43
4703-20-02	Lacrosse Unlimited	N	200 Heartland LLC	200 Heartland BlvdSAINT JAMESNY11780	73,444		10	30

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Project Code	Lease Project Name	Is the applicant a Not-for-Profit corporation?	Applicant Name	Applicant 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
4703-15-15	Land Tek/Islip Yards	N	Land Tek/Islip Yards	105 Sweeneydale Ave.BAY SHORENY11706	27,473	Warehouse distribution in support of food manufacturing	101	351
4703-14-07	M & M Canvas & Awnings, Inc./Mere Realty Holdings, LLC	N	M & M Canvas & Awnings, Inc./Mere Realty Holdings, LLC	180 Oval DriveISLANDIANY11749	2,549	manufacturer of metal furniture for laboratories and other customers	18	95
4703-16-09	M S International	N	M S International	50 Heartland Blvd.BRENTWOODNY11717	101,725	warehouse, distribute and manufacture sporting equipment	15	50
4703-17-8	M&M Canvas 2017	N	Michael Mere	200 Oval DriveISLANDIANY11749	85,379	Cosntruction of a 2 new buildings and equipment storage yard	30	275
4703-15-11	Macy Estate LLC	N	Macy Estate LLC	40-46 Islip AvenueISLIPNY11751	72,670	Manufacturer of awnings and canvas product	10	15
4703-19-10	Multidyne electronics 2019	N	Multidyne electronics	190 Blydenburgh RdHAUPPAUGENY11788	23,054	Warehouse/distribution of flooring, countertops, tile, and hardscaping	15	0
4703-19-07	NY Tent	N	NY Tent LLC	1401 Lakeland AvenueBOHEMIANY11716	84,384	manufacture awnings, powder coating	8	20
4703-00-07	NYSARC/Andreassi Assoc.	Y	NYSARC/Andreassi Assoc.	2900 Veterans Mem. Hwy.BOHEMIANY11716	38,135	Senior Housing	0	2
4703-20-08	Nassau Provisions Kosher Foods	N	Nassau Provisions Kosher Foods	700 Furrows RoadFREEPORTNY11520	54,949	manufacturer of electronic equipment	11	22
4703-15-18	Nationwide Exhibitors Services Inc./Wm. J. Lot Realty LLC	N	Nationwide Exhibitors Services Inc./Wm. J. Lot Realty LLC	110 Windsor PICENTRAL ISLIPNY11722	-0-	manufacture, warehouse and rent of tent and other event/party items	11	54
4703-19-13	Netherbay LLC	N	Netherbay LLC	26 & 36 South Clinton AveISLIPNY11751	-0-	NFP Training and Educational Center for AHRC	25	0
4703-20-09	North Atlantic Industries	N	North Atlantic Industries	116 Wilbur PlaceBOHEMIANY11716	69,177	warehouse and distribute kosher foods	10	90
4703-15-12	Northrock Industries LLC/BAMM LLC	N	Northrock Industries LLC/BAMM LLC	31 Crossways EastBOHEMIANY11716	139,813	Manufacturer of tradeshow booths	10	17
4703-20-01	Park Avenue Bay Shore LLC	N	Park Avenue Bay Shore LLC	61 & 57 Park AvenueBAY SHORENY11706	55,027	assisted living facility OEM manufacturer of embeded electronics for aerospace and defense industries	59	0
4703-20-06	Pharmapacks	N	Entourage Commerce LLC	80 Wilshire BlvdEDGEWOODNY11717	-0-		50	193

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<u>Project Code</u>	<u>Lease Project Name</u>	<u>Is the applicant a Not-for-Profit corporation?</u>	<u>Applicant Name</u>	<u>Applicant Address</u>	<u>Estimated Amount of Tax Exemptions</u>	<u>Purpose for which Each Transaction was Made</u>	<u>Original Estimate of Jobs to be Created</u>	<u>Original Estimate of Jobs to be Retained</u>
4703-11-09A	Piping Rock	N	Piping Rock	2021 Smithtown Ave. BOHEMIANY11716	21,690	Manufacturer of construction equipment	5	17
4703-18-04	Plastirun Corp	N	Plastirun Corp	70 Emjay Blvd. BRENTWOODNY11717	17,411	multi-family housing	3	0
4703-02-08A	Positive Promotions	N	Positive Promotions	15 Gilpin Ave. HAUPPAUGENY11788	3,994	ecommerce distributor of healthcare products	105	711
4703-19-23	Qosina Corp./REP A-2027LLC	N	Qosina Corp	2002 N. Orville Drive RONKONKOMANY11779	87,150	Manufacturer of Health & Nutritional Foods	80	0
4703-13-02	ROTHCO III	N	ROTHCO III	0 Veterans Memorial Hwy RONKONKOMANY11779	139,199	manufacturer of disposable paper products	3	62
4703-15-20	Restaurant Depot LLC/JMDH Real Estate of Bohemia LLC	N	Restaurant Depot LLC/JMDH Real Estate of Bohemia LLC	1335 Lakeland Ave. BOHEMIANY11716	90,125	Mfr. Of Printed Information & Promotional Materials	75	275
4703-16-03	Ri Wang Food Group/Paramount Land	N	Ri Wang Food Group/Paramo	30 Inez Dr. BAY SHORENY11706	43,314	distributor of plastic medical components and cosmetic disposables	0	0
4703-15-16	Robert Marsh Enterprises Inc.	N	Robert Marsh Industries	100 Christopher Street RONKONKOMANY11779	-0-	Warehouse distributor of military apparel, outdoor clothing and accessories	0	0
4703-11-08A	Rubies Costume Co. Inc. II	N	Rubies Costume Co. Inc.	158 Candlewood Rd. RICHMOND HILLNY11418	44,048	Wholesale distributor of restaurant supplies	9	73
4703-15-10	Rubies Costume Inc./100 Pineaire Drive LLC (Rubies III)	N	Rubies Costume Inc./100 Pineaire Drive LLC (Rubies III)	100 Pineaire Drive BAY SHORENY11706	14,913	Importer/ distributor of gourmet ethnic food products	57	0
4703-15-01	Ruby Has LLC/Adscott Realty Co.	N	Ruby Has LLC/Adscott Realty Co	5 Inez Drive BAY SHORENY11706	166,170	Distribution and selling of entertainment equipment	4	21
4703-15-22	SUNation Solar Systems Inc.	N	SUNation Solar Systems	171 Remington Blvd RONKONKOMANY11779	-0-	Distributor of Halloween Costumes	55	0
4703-18-12	Sartorius 2018/Aerotech	N	Sartorius Stedim North America	565 Johnson Ave. BOHEMIANY11716	70,454	Manufacturer and distributor of Halloween costumes and accessories	18	0
4703-13-04	Sartorius Stedim North America	N	Sartorius Stedim North America	545 Johnson Ave. BOHEMIANY11716	13,049	Fulfillment, picking and packing for ecommerce companies	14	24
4703-14-06	Sheralven Enterprises Ltd./Heartland Boys II LP	N	Sheralven Enterprises Ltd./Heartland Boys II LP	2 Rodeo Drive EDGEWOODNY11717	66,083	Custom solar sales, design and installation company	31	64
4703-08-02A	Shri Parshwa/Perfume Center	N	Perfume Center/Shri Parshwa	0 Ocean Ave. RONKONKOMANY11779	481,426	Provider of cutting-edge equipment for the bio pharmaceutical industry	5	80

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TOWN OF ISLIP INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF BONDS, NOTES AND LEASES
 December 31, 2021

<u>Project Code</u>	<u>Lease Project Name</u>	<u>Is the applicant a Not-for-Profit corporation?</u>	<u>Applicant Name</u>	<u>Applicant Address</u>	<u>Estimated Amount of Tax Exemptions</u>	<u>Purpose for which Each Transaction was Made</u>	<u>Original Estimate of Jobs to be Created</u>	<u>Original Estimate of Jobs to be Retained</u>
4703-17-6	Smart USA	N	Smart USA	1440 5th Ave.GLENDALENY11385	-0-	Provider of cutting-edge equipment for the bio pharmaceutical industry	20	150
4703-16-05	Snake Tray/239 S Fehr Way LLC	N	Snake Tray/239 S Fehr Way LLC	239 S. Fehr WayBAY SHORENY11706	144,783	Wholesale distributor of fragrances	30	132
4703-11-04A	Suffolk County Brake Service	N	Suffolk County Brake Service	862 Lincoln Ave.BOHEMIANY11716	327,500	Perfume Packager and Distributor	20	60
4703-16-02	Suffolk County Industrial	N	Suffolk County Industrial	1724 Fifth Ave.BAY SHORENY11706	57,760	manufacturer of aluminum and plastic food containers	35	0
4703-11-02A	Sysco LI LLC	N	Sysco Foods	199 Lowell AveHOUSTONTX77077	26,359	Manufacturer of cable and power distribution trays	17	35
4703-19-14	TJ Russo Consultants	N	155 Oval Drive LLC	155 Oval DriveMINEOLANY11501	3,416	Heavy Equipment Service & Sales	10	10
4703-14-17	Tekweld Solutions Inc./45 Rabro Solutions LLC	N	Tekweld Solutions Inc./45 Rabro Solutions LLC	45 Rabro DriveHAUPPAUGENY11788	514,205	Conversion of 500,000 sq. ft. manufacturing facility to multi tenant/food production	150	0
4703-18-10	Tensator Inc	N	Tensator Inc.	260 Spur Dr SoSYOSSETNY11791	83,017	Distributor of Food Products	185	0
4703-14-01	The Berlerro Group LLC (Skyzone)/ZTA Rental Properties L.P.	N	The Berlerro Group LLC (Skyzone)/ZTA Rental Properties L.P.	111 Rodeo DriveEDGEWOODNY11717	1,010,181	consulting services, forensic investigations, evidence handling, lab work	7	7
4703-18-13	The Cornerstone at Hauppauge	N	The Cornerstone at Hauppauge	2133 Joshuas PathFARMINGDALENY11735	-0-	Manufacturer of promotional items	40	80
4703-17-12	Towne Bus Corp	N	Towne Bus Corp	108 Hoffman LanePLAINVIEWNY11803	4,614	manufacture metal slanchions for crowd control	7	66
4703-11-07A	Trojan Powder Coating	N	Trojan Powder	2215 Union Blvd.BAY SHORENY11706	53,707	Indoor trampoline park	51	0
4703-20-04	U.S. Alliance Paper	N	U.S. Alliance Paper/Equipment	101 & 111 Heartland Blvd.EDGEWOODNY11717	119,447	Senior Citizen Rental Housing	4	0
4703-19-04	Ultraflex Power Technologies	N	US Tech Realty LLC	10 Colt CourtRONKONKOMANY11779	55,662	bus transportation	160	0
4703-18-16	Universal Fire Proof Door	N	Universal Fire Proof Door	75 Emjay BlvdBROOKLYNNY11205	97,955	Metal Finishing Plant	26	58

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4703-14-10	Universal Photonics Inc./Facilities Realty Management - Jetson, LLC	N	Universal Photonics Inc./Facilities Realty Management - Jetson, LLC	85 Jetson LaneCENTRAL ISLIPNY11722	43,892	manufacturer of paper napkins, paper towels, and bath tissue	0	160
4703-12-05A	Wesco Distribution/Prime Eleven LLC	N	Wesco Distribution/Prime Eleven LLC	0 Prime Pl.HAUPPAUGENY11788	-0-	Paper Manufacturer/ Equipment Only	0	0
4703-20-07	Whitson's Food Service 2020	N	VMH Properties LLC	3300 Veteran's memorial HighwayISLANDIANY11749	45,723	Paper Manufacturer/ Equipment Only	0	0
4703-13-06	ZTA Rental Properties (110 Wilshire Blvd)	N	US Alliance III (110 Wilshire Blvd)	110 Wilshire BlvdEDGEWOODNY11717	-0-	manufacture induction heating equipment	3	14
4703-21-01	PODS Enterprises	N	PODS International	555 Prime PlaceClearwaterFL33762	-0-	Manufacturer of metal and wooden fire proof doors	35	0
4703-21-02	Freeport Paper/Avco Industries	N	AVCO Industries	50,100, and 120 Windsor PlaceCENTRAL ISLIPNY11751	-0-	Warehouse and distributor of polishing products	0	60
4703-21-03	EB at Vets Highway LLC	N	EB at Vets Highway LLC	3355 veterans memorial highwayRONKONKOMANY11779	32,724	Distributor of Electrical, Industrial Products and Construction Materials	24	85
4703-21-05	Supplement Manufacturing Partner Inc.	N	Supplement Manufacturing Partner Inc	1 Rodeo Drive BRENTWOODNY11717	-0-	manufacturer of prepared meals	12	0
4703-21-06	Nationwide Sales and Services	N	Nationwide Sales and Services, INC	215 candlewood road303 Smith Street, Suite 4NY11735	19,148	Construction of a new warehouse/light manufacturing building	0	0
4703-21-08	NY Tent 110 Wilbur	N	NY TENT LLC	110 Wilbur PlaceBohemiaNY11716	-0-	Warehouse distribution and light manufacturingincluding receiving storing handling shipping and repairing storage	13	0
4703-21-09	Steel K LLC	N	Steel K, LLC	555N Research PlaceBethpageNY11714	-0-	Branding and printing of Paper products	30	156
4703-21-10	CVD Equipment Corp	N	CVD Equipment co	355 south technology driveCENTRAL ISLIPNY11772	-0-	Assisted living vitamin sales marketing, warehousing distribution shipping and receiving of products	2	45
4703-21-11	Bay Shore Propco LLC	N	TREC BAY Shore Inc	1700 Union Blvd East SetaukenNY11733	322	manufacturer of vacuum cleaners, airplane soap dispensers and janitorial supplies	28	22
4703-21-12	Reliance Communications	N	ASHI Properties	1560 Fifth Avenue HolbrookNY11741	-0-	supplies	3	10
4703-21-15	Corner Electronics	N	Corner Electronics	100 Emjay BlvdHauppaugeNY11788	-0-	Tent rental and washing service	7	47
4703-21-16	Steel Campus	N	Steel Campus LLC	300 Carlton AveBethpageNY11714	4,358	Warehousing for logistical services, order fulfillment etc.	10	0

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4703-21-17	Qosina Corp./	N	Qosina Corp	2002-Q Orville Drive RONKONKOMANY11779	-0-	Manufacturer of vapor disposition equipment gas control and other state of the art equipment	10	95
4703-21-18	Whitney court / court plaza	N	Whitney court plaza LLC	1 Hoppen Drive lake success NY 11042	-0-	Construction of apralments	7	0
4703-21-19	100 wilbur place/ ny tent llc	N	NY Tent LLC	100 Wilbur PlaceBohemiaNY11716	-0-	manufacturer of wireless devices	34	26
4703-21-20	Designs for Vision 2021	N	DFV Reality	10 Orville drive Bohemia NY11716	-0-	distributer f small electronics	6	10

See independent auditors' report.

OTHER REPORTS



**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***

Independent Auditors' Report

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, 2021, 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 24, 2022.

Report on 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) as a basis for designing 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 or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

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

Purpose of This Report

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

PKF O'Connor Davies, LLP

Hauppauge, New York
May 24, 2022