

TO: Frances Walton

FROM: Amit Nihalani
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RE: Chemung County Industrial Development Agency

Grantee

- Name: Chemung County Industrial Development Agency
- Corporate Location: Elmira, New York
- Corporate Form: Non-profit organization
- Nature of Business: To foster economic growth in Chemung County.

Financial Information

- Industry: Administration of General Economic Programs
- NAICS Code: 926110
- ESD credit score: Historical 1 (Marginal)
 - Profitability:
 - Sales: Increasing over 3-year historical period.
 - Profit Margin: Above the industry median in most recent year.
 - EBITDA: Increasing over the 3 year historical period.
 - Net Income: Increasing over 3 year historical period.
 - Liquidity:
 - Current ratio: Below the industry median and below one.
 - Solvency:
 - Total debt/total assets: Above the industry median and greater than 65%.
 - EBITDA/Debt Service: Weak

**Chemung County Industrial Development Agency
Years Ending December 31**

	Industry Median	2008	2009	2010	2011 *
Net Sales		2,129,038	4,400,861	4,175,940	1,705,886
EBITDA		697,259	2,043,124	2,691,219	1,321,407
Pre-tax Profit		-688,684	376,891	727,779	966,374
Pre-tax profit/net sales	3.20%	-32.35%	8.56%	17.43%	56.65%
Net Income		-688,684	376,891	727,779	966,374
Current Assets		386,669	11,195,814	2,258,973	
Current Liabilities		1,139,021	6,251,445	2,695,270	
Current Ratio	2.10	0.34	1.79	0.84	
Total Assets		20,039,626	30,831,235	27,470,675	
Long-term Debt		12,826,053	21,354,280	18,456,316	
Total Debt		12,826,053	21,354,280	18,456,581	
Total Liabilities		13,089,766	23,869,402	19,416,145	
Net Worth		6,949,860	6,961,833	8,054,530	
Total debt/total assets	0.29	0.64	0.69	0.67	
EBITDA/Debt Service		0.41	0.42	0.86	

* Through June 30

Additional Information

- The current ratio declined in 2010 primarily because restricted cash was used to pay down debt and grant money was received and used for project reimbursements.
- The organization is highly leveraged. In order to improve its financial position, subsequent to December 31, 2010, three of its outstanding loans with a balance of \$10.2MM, were restructured with a lower interest rate. Also, the organization borrowed an additional \$10MM to finance the construction of an expansion to a Schweizer Aircraft facility. The debt is expected to be serviced from lease payments on this facility.

ESD Credit Rating Definitions:

Rating (Score)	Definition
Very Good (5)	The Company is strong in all 3 areas of profitability, liquidity, and long-term solvency.
Good (4)	The Company is extremely solvent and liquid.
Satisfactory (3)	The Company is strong in the areas of profitability and liquidity, but not long-term solvency.
Fair (2)	The Company is strong in only one of the areas of profitability, liquidity, and long-term solvency.
Marginal (1)	The Company is not strong in any of the areas of profitability, liquidity, and long-term solvency.
Poor (0)	The Company is very weak in all areas of profitability, liquidity, and long-term solvency.