Form 5500

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Annual Return/Report of Employee Benefit Plan

This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6047(e), 6057(b), and 6058(a) of the Internal Revenue Code (the Code).

▶ **Complete all entries in accordance with the instructions to the Form 5500.**

OMB Nos. 1210-0110
1210-0089

2015

This Form is Open to Public Inspection

Part I Annual Report Identification Information

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A This return/report is for:
- [ ] a multiemployer plan;
- [ ] a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions); or
- [X] a single-employer plan;
- [ ] a DFE (specify) ____

B This return/report is:
- [ ] the first return/report;
- [ ] the final return/report;
- [ ] an amended return/report;
- [ ] a short plan year return/report (less than 12 months).

C If the plan is a collectively-bargained plan, check here. . . . . ▶ [ ]

D Check box if filing under:
- [X] Form 5558;
- [ ] automatic extension;
- [ ] the DFVC program;
- [ ] special extension (enter description)

Part II Basic Plan Information—enter all requested information

1a Name of plan
ADIRONDACK TRUST COMPANY EMPLOYEE STOCK OWNERSHIP PLAN

1b Three-digit plan number (PN) ▶ 002

1c Effective date of plan 01/01/1977

2a Plan sponsor's name (employer, if for a single-employer plan)
Mailing address (include room, apt., suite no. and street, or P.O. Box)
City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions)
ADIRONDACK TRUST COMPANY

473 BROADWAY
SARATOGA SPRINGS, NY 12866

2b Employer Identification Number (EIN)
14-0458765

2c Plan Sponsor's telephone number
518-584-5844

2d Business code (see instructions)
522110

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/13/2016	JOHN ARNOLD
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE	Filed with authorized/valid electronic signature.	10/13/2016	JOHN ARNOLD
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

Preparer's name (including firm name, if applicable) and address (include room or suite number)

Preparer's telephone number

3a Plan administrator's name and address [X] Same as Plan Sponsor	**3b** Administrator's EIN	
	3c Administrator's telephone number	
4 If the name and/or EIN of the plan sponsor has changed since the last return/report filed for this plan, enter the name, EIN and the plan number from the last return/report:	**4b** EIN	
a Sponsor's name	**4c** PN	
5 Total number of participants at the beginning of the plan year	**5**	433
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines **6a(1), 6a(2), 6b, 6c,** and **6d**).		
a(1) Total number of active participants at the beginning of the plan year	**6a(1)**	261
a(2) Total number of active participants at the end of the plan year	**6a(2)**	258
b Retired or separated participants receiving benefits	**6b**	7
c Other retired or separated participants entitled to future benefits	**6c**	164
d Subtotal. Add lines **6a(2)**, **6b**, and **6c**.	**6d**	429
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.	**6e**	4
f Total. Add lines **6d** and **6e**.	**6f**	433
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item)	**6g**	423
h Number of participants that terminated employment during the plan year with accrued benefits that were less than 100% vested	**6h**	5
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)	**7**	

8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions:
2F 2H 2J 2K 2P 2S 2T

b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:

9a Plan funding arrangement (check all that apply)		**9b** Plan benefit arrangement (check all that apply)	
(1)	[ ] Insurance	**(1)**	[ ] Insurance
(2)	[ ] Code section 412(e)(3) insurance contracts	**(2)**	[ ] Code section 412(e)(3) insurance contracts
(3)	[X] Trust	**(3)**	[X] Trust
(4)	[ ] General assets of the sponsor	**(4)**	[ ] General assets of the sponsor

10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)

a Pension Schedules

(1) [X] **R** (Retirement Plan Information)

(2) [ ] **MB** (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary

(3) [ ] **SB** (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary

b General Schedules

(1) [X] **H** (Financial Information)

(2) [ ] **I** (Financial Information – Small Plan)

(3) [ ] ___ **A** (Insurance Information)

(4) [X] **C** (Service Provider Information)

(5) [ ] **D** (DFE/Participating Plan Information)

(6) [ ] **G** (Financial Transaction Schedules)

Part III **Form M-1 Compliance Information (to be completed by welfare benefit plans)**

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ..... ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ……..... ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2015 Form M-1 annual report. If the plan was not required to file the 2015 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code_____

SCHEDULE C (Form 5500)	Service Provider Information	OMB No. 1210-0110
Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ **File as an attachment to Form 5500.**	**2015** **This Form is Open to Public Inspection.**

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A Name of plan
ADIRONDACK TRUST COMPANY EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
ADIRONDACK TRUST COMPANY

D Employer Identification Number (EIN)
14-0458765

Part I Service Provider Information (see instructions)

You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions).. . . . . [X] Yes [ ] No

b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

CHARLES SCHWAB TRUST COMPANY

42-1558009

(b) Enter name and EIN or address of person who provided you disclosure on eligible indirect compensation

CHARLES SCHWAB INVESTMENT MGMT

94-3106735

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation

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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

CHARLES SCHWAB & CO., INC.

94-1737782

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
19 59	NONE	0	Yes [X] No [ ]	Yes [X] No [ ]	0	Yes [ ] No [ ]

(a) Enter name and EIN or address (see instructions)

MILLIMAN, INC.

91-0675641

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
19 36 37 38 50 59 62 64 70 15	NONE	0	Yes [X] No [ ]	Yes [ ] No [X]	0	Yes [X] No [ ]

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes [ ] No [ ]	Yes [ ] No [ ]		Yes [ ] No [ ]

2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, $5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
CHARLES SCHWAB & CO., INC.	19 59	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
FEDERATED 25-1111467	RANGE OF 0.00-0.02% OF AVERAGE DAILY BALANCE OF ASSETS

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
CHARLES SCHWAB & CO., INC.	19 59	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
OPPENHEIMER FUNDS 13-2527171	RANGE OF 0.00-0.02% OF AVERAGE DAILY BALANCE OF ASSETS

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
CHARLES SCHWAB & CO., INC.	19 59	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
T. ROWE PRICE 52-2264646	RANGE OF 0.00-0.02% OF AVERAGE DAILY BALANCE OF ASSETS

Part I Service Provider Information (continued)

3 If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received $1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
CHARLES SCHWAB & CO. INC.	19 59	

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
ALLIANZ FUNDS 06-1349805	RANGE OF 0.00-0.02% OF AVERAGE DAILY BALANCE OF ASSETS

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
CHARLES SCHWAB & CO. INC.	19 59	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
FIDELITY 06-1194217	RANGE OF 0.00-0.02% OF AVERAGE DAILY BALANCE OF ASSETS

(a) Enter service provider name as it appears on line 2	**(b)** Service Codes (see instructions)	**(c)** Enter amount of indirect compensation
CHARLES SCHWAB & CO., INC.	19 59	0

(d) Enter name and EIN (address) of source of indirect compensation	**(e)** Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.
SENTINEL 22-0966590	RANGE OF 0.00-0.02% OF AVERAGE DAILY BALANCE OF ASSETS

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

(a) Enter name and EIN or address of service provider (see instructions)	**(b)** Nature of Service Code(s)	**(c)** Describe the information that the service provider failed or refused to provide

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Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)

(complete as many entries as needed)

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

a	Name:	**b** EIN:
c	Position:	
d	Address:	**e** Telephone:

Explanation:

SCHEDULE H (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Financial Information

This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2015

This Form is Open to Public Inspection

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A Name of plan
ADIRONDACK TRUST COMPANY EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
ADIRONDACK TRUST COMPANY

D Employer Identification Number (EIN)
14-0458765

Part I Asset and Liability Statement

1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. **Round off amounts to the nearest dollar.** MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.

Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash	1a		
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions	1b(1)		
(2) Participant contributions	1b(2)		
(3) Other	1b(3)	450	371
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit)	1c(1)	1798985	2538266
(2) U.S. Government securities	1c(2)		
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred	1c(3)(A)		
(B) All other	1c(3)(B)		
(4) Corporate stocks (other than employer securities):			
(A) Preferred	1c(4)(A)		
(B) Common	1c(4)(B)		
(5) Partnership/joint venture interests	1c(5)		
(6) Real estate (other than employer real property)	1c(6)		
(7) Loans (other than to participants)	1c(7)		
(8) Participant loans	1c(8)	70290	102712
(9) Value of interest in common/collective trusts	1c(9)		
(10) Value of interest in pooled separate accounts	1c(10)		
(11) Value of interest in master trust investment accounts	1c(11)		
(12) Value of interest in 103-12 investment entities	1c(12)		
(13) Value of interest in registered investment companies (e.g., mutual funds)	1c(13)	4992052	5053486
(14) Value of funds held in insurance company general account (unallocated contracts)	1c(14)		
(15) Other	1c(15)		

			(a) Beginning of Year	(b) End of Year
1d	Employer-related investments:			
	(1) Employer securities	1d(1)	36137400	35076239
	(2) Employer real property	1d(2)		
e	Buildings and other property used in plan operation	1e		
f	Total assets (add all amounts in lines 1a through 1e)	1f	42999177	42771074
	Liabilities			
g	Benefit claims payable	1g	648	
h	Operating payables	1h	375	
i	Acquisition indebtedness	1i		
j	Other liabilities	1j	1437320	1185640
k	Total liabilities (add all amounts in lines 1g through1j)	1k	1438343	1185640
	Net Assets			
l	Net assets (subtract line 1k from line 1f)	1l	41560834	41585434

Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

	Income		(a) Amount	(b) Total
a	**Contributions:**			
	(1) Received or receivable in cash from: **(A)** Employers	2a(1)(A)	1380159	
	(B) Participants	2a(1)(B)	611265	
	(C) Others (including rollovers)	2a(1)(C)	138676	
	(2) Noncash contributions	2a(2)		
	(3) Total contributions. Add lines **2a(1)(A), (B), (C),** and line **2a(2)**	2a(3)		2130100
b	**Earnings on investments:**			
	(1) Interest:			
	(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)	3994	
	(B) U.S. Government securities	2b(1)(B)		
	(C) Corporate debt instruments	2b(1)(C)		
	(D) Loans (other than to participants)	2b(1)(D)		
	(E) Participant loans	2b(1)(E)	3513	
	(F) Other	2b(1)(F)		
	(G) Total interest. Add lines **2b(1)(A)** through **(F)**	2b(1)(G)		7507
	(2) Dividends: **(A)** Preferred stock	2b(2)(A)		
	(B) Common stock	2b(2)(B)	1035668	
	(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	261243	
	(D) Total dividends. Add lines **2b(2)(A)**, **(B)**, and **(C)**	2b(2)(D)		1296911
	(3) Rents	2b(3)		
	(4) Net gain (loss) on sale of assets: **(A)** Aggregate proceeds	2b(4)(A)	1616854	
	(B) Aggregate carrying amount (see instructions)	2b(4)(B)	1619417	
	(C) Subtract line **2b(4)(B)** from line **2b(4)(A)** and enter result	2b(4)(C)		-2563
	(5) Unrealized appreciation (depreciation) of assets: **(A)** Real estate	2b(5)(A)		
	(B) Other	2b(5)(B)	-1200256	
	(C) Total unrealized appreciation of assets. Add lines **2b(5)(A)** and **(B)**	2b(5)(C)		-1200256

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		-217696
c Other income	2c		
d Total income. Add all **income** amounts in column (b) and enter total	2d		2014003
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1935149	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines **2e(1)** through **(3)**	2e(4)		1935149
f Corrective distributions (see instructions)	2f		
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		53629
i Administrative expenses: **(1)** Professional fees	2i(1)	625	
(2) Contract administrator fees	2i(2)		
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines **2i(1)** through **(4)**	2i(5)		625
j Total expenses. Add all **expense** amounts in column (b) and enter total	2j		1989403
Net Income and Reconciliation			
k Net income (loss). Subtract line **2j** from line **2d**	2k		24600
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) [X] Unqualified **(2)** [ ] Qualified **(3)** [ ] Disclaimer **(4)** [ ] Adverse

b Did the accountant perform a limited scope audit pursuant to 29 CFR 2520.103-8 and/or 103-12(d)? [ ] Yes [X] No

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: FLYNN, WALKER, DIGGIN, P.C. **(2)** EIN: 14-1751323

d The opinion of an independent qualified public accountant is **not attached** because:

(1) [ ] This form is filed for a CCT, PSA, or MTIA. **(2)** [ ] It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

		Yes	No	N/A	Amount
a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)	4a		X		
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)	4b		X		

			Yes	No	N/A	Amount
c	Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)	4c		X		
d	Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)	4d		X		
e	Was this plan covered by a fidelity bond?	4e	X			10000000
f	Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?	4f		X		
g	Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?	4g		X		
h	Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?	4h		X		
i	Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	4i	X			
j	Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked, and see instructions for format requirements.)	4j		X		
k	Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?	4k		X		
l	Has the plan failed to provide any benefit when due under the plan?	4l		X		
m	If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)	4m		X		
n	If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.	4n				
o	Did the plan trust incur unrelated business taxable income?	4o				
p	Were in-service distributions made during the plan year?	4p				

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year?
If "Yes," enter the amount of any plan assets that reverted to the employer this year ☐ **Yes** ☒ **No** **Amount:**

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	**5b(2)** EIN(s)	**5b(3)** PN(s)

5c If the plan is a defined benefit plan, is it covered under the PBGC insurance program (see ERISA section 4021)? ..... ☐ Yes ☐ No ☐ Not determined

Part V Trust Information

6a Name of trust	**6b** Trust's EIN

6c Name of trustee or custodian	**6d** Trustee's or custodian's telephone number

SCHEDULE R (Form 5500)

Department of the Treasury
Internal Revenue Service

Department of Labor
Employee Benefits Security Administration

Pension Benefit Guaranty Corporation

Retirement Plan Information

This schedule is required to be filed under section 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code).

▶ **File as an attachment to Form 5500.**

OMB No. 1210-0110

2015

This Form is Open to Public Inspection.

For calendar plan year 2015 or fiscal plan year beginning 01/01/2015 and ending 12/31/2015

A Name of plan
ADIRONDACK TRUST COMPANY EMPLOYEE STOCK OWNERSHIP PLAN

B Three-digit plan number (PN) ▶ 002

C Plan sponsor's name as shown on line 2a of Form 5500
ADIRONDACK TRUST COMPANY

D Employer Identification Number (EIN)
14-0458765

Part I Distributions

All references to distributions relate only to payments of benefits during the plan year.

1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions **1**

2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits):

EIN(s): 14-0458765 42-1558009

Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.

3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year **3**

Part II Funding Information (If the plan is not subject to the minimum funding requirements of section of 412 of the Internal Revenue Code or ERISA section 302, skip this Part)

4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

If the plan is a defined benefit plan, go to line 8.

5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. **Date:** Month _____ Day _____ Year _____

If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.

6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived) **6a**

b Enter the amount contributed by the employer to the plan for this plan year **6b**

c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount) **6c**

If you completed line 6c, skip lines 8 and 9.

7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ..... ☐ **Yes** ☐ **No** ☐ **N/A**

Part III Amendments

9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box. ..... ☐ **Increase** ☐ **Decrease** ☐ **Both** ☐ **No**

Part IV ESOPs (see instructions). If this is not a plan described under Section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.

10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan? ..... ☐ **Yes** ☒ **No**

11 a Does the ESOP hold any preferred stock? ..... ☐ **Yes** ☒ **No**

b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.) ..... ☐ **Yes** ☒ **No**

12 Does the ESOP hold any stock that is not readily tradable on an established securities market? ..... ☐ **Yes** ☒ **No**

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that contributed more than 5% of total contributions to the plan during the plan year (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify):

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

---

a Name of contributing employer

b EIN **c** Dollar amount contributed by employer

d Date collective bargaining agreement expires *(If employer contributes under more than one collective bargaining agreement, check box* ☐ *and see instructions regarding required attachment. Otherwise, enter the applicable date.)* Month _____ Day _____ Year _____

e Contribution rate information *(If more than one rate applies, check this box* ☐ *and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)*
(1) Contribution rate (in dollars and cents) _____
(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14 Enter the number of participants on whose behalf no contributions were made by an employer as an employer of the participant for:

a The current year	**14a**	
b The plan year immediately preceding the current plan year	**14b**	
c The second preceding plan year	**14c**	

15 Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:

a The corresponding number for the plan year immediately preceding the current plan year	**15a**	
b The corresponding number for the second preceding plan year	**15b**	

16 Information with respect to any employers who withdrew from the plan during the preceding plan year:

a Enter the number of employers who withdrew during the preceding plan year	**16a**	
b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers	**16b**	

17 If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment. ☐

Part VI Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans

18 If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐

19 If the total number of participants is 1,000 or more, complete lines (a) through (c)

a Enter the percentage of plan assets held as:
Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____%

b Provide the average duration of the combined investment-grade and high-yield debt:
☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more

c What duration measure was used to calculate line 19(b)?
☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify):

Part VII IRS Compliance Questions

20a Is the plan a 401(k) plan?	☐ Yes	☐ No
20b If "Yes," how does the 401(k) plan satisfy the nondiscrimination requirements for employee deferrals and employer matching contributions (as applicable) under sections 401(k)(3) and 401(m)(2)?	☐ Design-based safe harbor method	☐ ADP/ACP test
20c If the ADP/ACP test is used, did the 401(k) plan perform ADP/ACP testing for the plan year using the "current year testing method" for nonhighly compensated employees (Treas. Reg sections 1.401(k)-2(a)(2)(ii) and 1.401(m)-2(a)(2)(ii))?	☐ Yes	☐ No
21a Check the box to indicate the method used by the plan to satisfy the coverage requirements under section 410(b):	☐ Ratio percentage test	☐ Average benefit test
21b Does the plan satisfy the coverage and nondiscrimination tests of sections 410(b) and 401(a)(4) by combining this plan with any other plans under the permissive aggregation rules?	☐ Yes	☐ No
22a Has the plan been timely amended for all required tax law changes?	☐ Yes	☐ No ☐ N/A

22b Date the last plan amendment/restatement for the required tax law changes was adopted ____/____/____. Enter the applicable code _____ (See instructions for tax law changes and codes).

22c If the plan sponsor is an adopter of a pre-approved master and prototype (M&P) or volume submitter plan that is subject to a favorable IRS opinion or advisory letter, enter the date of that favorable letter _____/_____/_____ and the letter's serial number _____.

22d If the plan is an individually-designed plan and received a favorable determination letter from the IRS, enter the date of the plan's last favorable determination letter _____/_____/_____.

23 Is the Plan maintained in a U.S. territory (i.e., Puerto Rico (if no election under ERISA section 1022(i)(2) has been made), American Samoa, Guam, the Commonwealth of the Northern Mariana Islands or the U.S. Virgin Islands)?	☐ Yes	☐ No

THE ADIRONDACK TRUST COMPANY
EMPLOYEE STOCK OWNERSHIP PLAN

INDEPENDENT AUDITOR'S REPORT

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

DECEMBER 31, 2015 AND 2014

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FLYNN, WALKER, DIGGIN C.P.A., P.C.

CERTIFIED PUBLIC ACCOUNTANTS

50 Seward Street
Saratoga Springs, New York 12866

(518) 583-1234
FAX (518) 584-1328
E-mail:cpa@flynnwalkerdiggin.com

Independent Auditor's Report

The Administrative Committee
The Adirondack Trust Company
Employee Stock Ownership Plan:

We have audited the accompanying financial statements of The Adirondack Trust Company Employee Stock Ownership Plan, which comprise the statements of net assets available for benefits as of December 31, 2015 and 2014, and the related statements of changes in net assets available for benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Plan 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 Plan'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 Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of The Adirondack Trust Company Employee Stock Ownership Plan as of December 31, 2015 and 2014, and the changes in its net assets available for benefits for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplemental Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedule of Schedule H, Item 4I, Schedule of Assets Held for Investment Purposes as of December 31, 2015, referred to as "supplemental information," is presented for the purpose of additional analysis and is not a required part of the financial statements but is supplemental information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. Such information is the responsibility of the Plan's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Flynn, Walker, Diggin C.P.A., P.C.

FLYNN, WALKER, DIGGIN C.P.A., P.C.

October 11, 2016

THE ADIRONDACK TRUST COMPANY
EMPLOYEE STOCK OWNERSHIP PLAN

STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS

DECEMBER 31, 2015 AND 2014

ASSETS	2015	2014
INVESTMENTS:		
THE ADIRONDACK TRUST COMPANY COMMON STOCK	**$ 20,285,903**	20,841,720
473 BROADWAY HOLDING COMPANY COMMON STOCK	**14,790,336**	15,295,680
MUTUAL FUNDS	**5,053,486**	4,992,052
CERTIFICATES OF DEPOSIT	**-**	118,151
	40,129,725	41,247,603
OTHER ASSETS:		
CASH	**2,538,266**	1,680,834
ACCRUED INCOME	**371**	450
NOTES RECEIVABLE FROM PARTICIPANTS	**102,712**	70,290
	2,641,349	1,751,574
TOTAL ASSETS	**42,771,074**	42,999,177
LIABILITIES		
ACCOUNTS PAYABLE	**-**	375
BENEFITS PAYABLE	**-**	648
PAYABLE FOR PURCHASE OF SECURITY	**-**	5,310
NOTE PAYABLE, BANK	**1,185,640**	1,432,010
TOTAL LIABILITIES	**1,185,640**	1,438,343
NET ASSETS AVAILABLE FOR BENEFITS	**$ 41,585,434**	41,560,834

SEE ACCOMPANYING NOTES.

THE ADIRONDACK TRUST COMPANY
EMPLOYEE STOCK OWNERSHIP PLAN

STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
ADDITIONS AND DEPRECIATION OF INVESTMENTS:		
INTEREST	$ 7,507	5,762
DIVIDENDS	1,296,911	1,331,638
EMPLOYER CONTRIBUTIONS - PARTICIPANTS	1,326,530	1,078,227
EMPLOYER CONTRIBUTIONS - INTEREST	53,629	73,207
EMPLOYEE CONTRIBUTIONS	749,941	802,789
REALIZED (LOSS) GAIN ON SALE OF INVESTMENTS	(2,563)	89,055
NET DEPRECIATION IN MARKET VALUE OF COMMON STOCK	(1,200,256)	(1,593,330)
NET DEPRECIATION IN MARKET VALUE OF MUTUAL FUNDS	(217,696)	(21,714)
TOTAL ADDITIONS AND DEPRECIATION OF INVESTMENTS	2,014,003	1,765,634
DEDUCTIONS:		
DISTRIBUTIONS	1,935,149	1,100,735
INTEREST EXPENSE	53,629	73,207
SERVICE FEE	625	421
TOTAL DEDUCTIONS	1,989,403	1,174,363
NET INCREASE IN NET ASSETS	24,600	591,271
NET ASSETS AVAILABLE FOR BENEFITS:		
BEGINNING OF YEAR	41,560,834	40,969,563
END OF YEAR	$ 41,585,434	41,560,834

SEE ACCOMPANYING NOTES.

1. Plan Description and Basis of Presentation

The following description of the Adirondack Trust Company Employee Stock Ownership Plan is provided for general information purposes only. Participants should refer to the "Plan Document" for complete information.

A. **General** - The Adirondack Trust Company (Company) established The Adirondack Trust Company Employee Stock Ownership Plan (Plan) effective as of January 1, 1977. On October 8, 2014, the Plan was amended and operates, in relevant part, as an employee stock ownership plan (ESOP), a 401(k) Plan and as a 401(m) Plan, and is designed to comply with the Internal Revenue Code of 1986, as amended (Code) and is subject to the applicable provisions for the Employee Retirement Income Security Act of 1974, as amended (ERISA). The Plan is administered by an Employee Benefits Administration Committee comprising up to five persons appointed by The Adirondack Trust Company's Board of Directors.

Employees of the Company are eligible to participate in the ESOP portion of the Plan after one year of service providing they worked at least 1,000 hours during such plan year and have attained age 21. Employees of the Company are eligible to participate in the 401(k) portion of the Plan after three months of service providing they have attained age 18.

B. **Contributions** - The amount of the employer contribution for the ESOP portion of the Plan is discretionary and is determined annually by the Board of Directors of The Adirondack Trust Company. After 10 years of service and attaining the age of 55, a participant has the right to direct the investment portion of their ESOP account into certain mutual funds.

As of January 1, 2013, Plan participants that have attained the age of 18, completed three months of service, and are not eligible to participate in The Adirondack Trust Company Pension Plan are eligible to receive a matching Employer contribution for the 401(k) portion of the Plan. Company matching contributions equal up to 100% of each participant's deferred compensation with a maximum of 3% of eligible compensation.

Participants have the option to defer their eligible compensation up to the maximum amount allowable to the 401(k) portion of the Plan. The option features an automatic enrollment feature with a pretax salary deferral of 3%. Participants have the option to elect increased salary deferrals and the option to designate deferrals as Roth contributions on an after tax basis. Participants are permitted to make rollover contributions.

Participants may diversify the 401(k) portion of their account regardless of age or years of service into certain mutual funds.

1. Plan Description and Basis of Presentation, Continued

C. **Participant Accounts** - Each participant's account is credited with an allocation of (a) Employer's contribution (b) Employee's contribution (c) Plan earnings, and (d) forfeitures of terminated participants' non-vested accounts. Generally, the Employer's contribution and any forfeitures are allocated to each eligible participant in proportion to compensation. Investment earnings or losses (including net appreciation or depreciation) are allocated on the basis of the participants' account balances. The benefit to which a participant is entitled is the benefit that can be provided from the participant's accounts.

For the years ended December 31, 2015 and 2014, all available assets except for 678 and 850 shares, respectively, of The Adirondack Trust Company's common stock (see Note 8) were allocated to participant accounts.

D. **Vesting** – Participants are immediately vested in their contributions plus actual earnings thereon. Participants are vested in employer contributions based on the following schedule:

Years of Service	Percentage
Less than 2	0%
2	20%
3	40%
4	60%
5	100%

Participants who reach their normal retirement age, generally age 65, will become fully vested.

E. **Forfeited Accounts** - Forfeitures are created when a participant terminates employment prior to becoming fully vested. If, after five years, the participant does not rejoin the plan, the forfeited amount is reallocated to eligible participants in the same way as employer contributions are allocated. At December 31, 2015 and 2014 forfeitures reallocated to participants totaled $9,987 and $3,251, respectively.

F. **Payment of Dividends** - Employees who are vested members may elect to receive The Adirondack Trust Company and 473 Broadway Holding Corporation dividends earned. This election will reduce the participant's amount available at retirement.

G. **Voting Rights** - Participants are entitled to exercise voting rights attributable to the shares of The Adirondack Trust Company stock allocated to their account. If a participant does not timely exercise the right to vote Company stock, the trustee will vote such Company stock.

1. Plan Description and Basis of Presentation, Continued

H. **Notes Receivable from Participants** – Participants may borrow from the 401(k) portion of their accounts a minimum of $1,000 up to a maximum amount equal to the lesser of $50,000 or 50% of the participant's vested account balance. The notes are secured by the participant's vested account balance and bear interest rates as determined by the Plan's administrator by reviewing the interest rate charged for similar types of notes by other lenders. In general, the terms of the note may not exceed five years and are required to be paid by payroll deductions or automated clearing house system for electronic funds transfer (ACH).

I. **Payment of Benefits** - No distributions from the Plan will be made until a participant retires, dies (in which case, payment shall be made to his or her beneficiary or, if none, his or her legal representatives), after attainment of age 55 if the participant is fully vested, or under the prescribed circumstances in the event of financial hardship.

Distributions are made in cash or, if a participant elects, in the form of Company common stock plus cash for any fractional share. Unless a participant elects otherwise, distributions to a participant or the participant's beneficiary attributable to employer securities shall be in substantially equal monthly, quarterly, semiannual or annual installments over a period not longer than five years. Participants are allowed to receive in-kind distributions from the participant directed account attributable to the ESOP portion of the Plan to the extent the administrator reasonably determines that the assets at issue may be transferred in kind.

J. **Termination** - The Company reserves the right to terminate the Plan at any time, subject to Plan provisions. Upon such termination of the Plan, no further contributions will be made to the Plan and all amounts credited to participant's accounts will become 100% vested. The interest of each participant in the trust fund will be distributed to such participant or his or her beneficiary at the time prescribed by the Plan terms and the Code.

K. **Put Option** - Under provisions of the Plan the participant or beneficiary will have two put options. The put options are rights to demand that the Company buy any shares of its stock distributed to participants for which there is no market. The put price is representative of the fair market value of the stock. The Company can pay in cash or in installments over a period of five years or in some cases not in excess of ten years.

2. Summary of Significant Accounting Policies

A. **Investment Valuation and Income Recognition** - Investments held in the Plan are valued at fair value on December 31, 2015 and 2014. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Dividend income is recorded on the payment due date.

Purchases and sales of securities are recorded on a trade-date basis.

2. Summary of Significant Accounting Policies, Continued

B. **Notes Receivable from Participants** – Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Delinquent participant loans are reclassified as distributions based on the terms of the Plan document.

C. **Financial Statements** - The financial statements are prepared using the accrual method of accounting.

D. **Payment of Benefits** - Benefits are recorded when paid.

E. **Use of Estimates** - The preparation of financial statements in conformity with generally accepted accounting principles requires the plan administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

F. **Cash** - The Plan classifies cash on hand and cash in savings and checking accounts as cash. The Plan's cash is exposed to concentrations of credit risk. At times, such amounts may be in excess of the FDIC insurance limit.

G. **Reclassification** - Certain prior year amounts have been reclassified to current period presentation.

3. Tax Status

The Plan obtained its latest determination letter on September 14, 2013, in which the Internal Revenue Service stated that the Plan was in compliance with the applicable requirements of the Internal Revenue Code. The Plan Administrator and the Plan's tax counsel believe that the Plan is currently designed and being operated in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no provision for income taxes has been included in the Plan's financial statements.

4. Administration of Plan Assets

Plan assets are held in a trust fund. The trustee is responsible for the safekeeping of the trust fund which is used for the accumulation of assets from which benefits will be distributed.

The ESOP portion of the Plan's assets consist principally of The Adirondack Trust Company and 473 Broadway Holding Corporation common stock. The Adirondack Trust Company is a commercial bank serving customers primarily in northern Saratoga County, New York and surrounding towns and a wholly owned subsidiary that engages in insurance agency activities. 473 Broadway Holding Corporation is a one-bank holding company with operations and headquarters in Saratoga Springs, New York.

Certain administrative functions are performed by officers or employees of the Company. No such officer or employee receives compensation from the Plan. During the years ended December 31, 2015 and 2014, The Adirondack Trust Company absorbed substantially all administrative costs of the Plan.

5. Fair Value Measurements

The Plan records purchased investments at their fair value. Generally accepted accounting principles define fair value, establish a framework for measuring fair value, and establish a fair value hierarchy under Accounting Standards Codification ("ASC") 820-10 that prioritizes the inputs to valuation techniques. The fair value hierarchy prioritizes the inputs to valuation techniques used to measure value into three broad levels:

- Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority. The fair value of mutual funds are based on quoted market prices. Certificates of Deposit are valued at cost plus accrued interest.

- Level 2 inputs consist of observable inputs other than quoted prices for identical assets. The Plan did not hold Level 2 investments.

- Level 3 inputs are unobservable for the investments and include situations where there is little, if any, market activity for the investment. The values of The Adirondack Trust Company stock and 473 Broadway Holding Corporation stock are based on annual independent appraisals. The appraisals were based on a combination of the market and income valuation techniques.

The fair value measurement for each investment is based on the lowest level of observable input for that investment. When available the Plan measures assets using Level 1 inputs because they generally provide the most reliable evidence of fair value.

The following table represents the Plan's fair value hierarchy for those assets measured at fair value as of December 31, 2015:

	Fair Value Measurements as of December 31, 2015	
	Level 1	Level 3
The Adirondack Trust Company Common Stock	$ -	**20,285,903**
473 Broadway Holding Company Common Stock	-	**14,790,336**
Mutual Funds	**5,053,486**	-
Total	$ **5,053,486**	**35,076,239**

5. Fair Value Measurements, Continued

The following table represents the Plan's fair value hierarchy for those assets measured at fair value as of December 31, 2014:

	Fair Value Measurements as of December 31, 2014	
	Level 1	Level 3
The Adirondack Trust Company Common Stock	$ -	20,841,720
473 Broadway Holding Company Common Stock	-	15,295,680
Mutual Funds	4,992,052	-
Certificates of Deposit	118,151	-
Total	$ 5,110,203	36,137,400

The following table provides further details of the Level 3 fair value measurements for the year ended December 31, 2015.

	The Adirondack Trust Company Common Stock	473 Broadway Holding Corporation Common Stock	Total
Beginning balance	**$ 20,841,720**	**15,295,680**	**36,137,400**
Net depreciation in market value of common stock	**(694,912)**	**(505,344)**	**(1,200,256)**
Purchases	**145,875**	**-**	**145,875**
Distributions	**(6,780)**	**-**	**(6,780)**
Ending balance	**$ 20,285,903**	**14,790,336**	**35,076,239**
Total gains or losses for the year included in changes in net assets available for benefits attributable to the change in unrealized gains or losses relating to investments still held at the reporting date	$ (694,912)	(505,344)	(1,200,256)

5. Fair Value Measurements, Continued

The following table provides further details of the Level 3 fair value measurements for the year ended December 31, 2014.

	The Adirondack Trust Company Common Stock	473 Broadway Holding Corporation Common Stock	Total
Beginning balance	$ 21,509,040	15,972,480	37,481,520
Net appreciation in market value of common stock	(916,530)	(676,800)	(1,593,330)
Purchases	249,210	-	249,210
Ending balance	$ 20,841,720	15,295,680	36,137,400
Total gains or losses for the year included in changes in net assets available for benefits attributable to the change in unrealized gains or losses relating to investments still held at the reporting date	$ (916,530)	(676,800)	(1,593,330)

The Adirondack Trust Company stock held by the Plan represents approximately 16.19% and 16.09% of the average outstanding common stock at December 31, 2015 and 2014, respectively.

The 473 Broadway Holding Corporation stock held by the Plan represents approximately 23.50% of the average outstanding stock at December 31, 2015 and 2014.

6. Investments

The following table presents the Plan's investments at December 31, 2015 and December 31, 2014 that represent 5% or more of the Plan's net assets.

	2015			2014		
Description	Number of Shares	Cost	Market	Number of Shares	Cost	Market
The Adirondack Trust Company	**12,377**	**$ 9,662,274**	**$ 20,285,903**	12,296	$ 9,523,179	20,841,720
473 Broadway Holding Corporation (Each share indirectly represents 32 shares of The Adirondack Trust Company common stock)	**282**	**$ 4,852,970**	**14,790,336**	282	$ 4,852,970	15,295,680

7. Nonparticipant-Directed Net Assets

The following table represents information about the net assets and significant components of the changes in net assets relating to the nonparticipant–directed investments.

	December 31,	
	2015	2014
The Adirondack Trust Company Common Stock	**$ 20,285,903**	20,841,720
473 Broadway Holding Company Common Stock	**14,790,336**	15,295,680
Cash	**2,411,932**	1,453,979
Accrued Income	**371**	450
Benefits Payable	-	(648)
Payable for Purchase of Security	-	(5,310)
Note Payable, Bank	**(1,185,640)**	(1,432,010)
Total	**$ 36,302,902**	36,153,861

Changes in Net Assets for the year ended December 31, 2015:

Interest	$ **3,396**
Dividends	**1,035,668**
Employer Contributions – Participants	**1,146,371**
Employer Contributions – Interest	**53,629**
Net Depreciation in Market Value of Common Stock	**(1,200,256)**
Transfer from Participant Directed	**703,606**
Distributions	**(1,539,744)**
Interest Expense	**(53,629)**
	$ **149,041**

8. Note Payable, Bank

On September 14, 2012 the Plan entered into a $3,000,000 non-revolving line-of-credit agreement with a bank (unrelated), the proceeds of which are to be used to purchase qualified employer securities, at an interest rate equal to the U.S. Prime Rate as published in the Wall Street Journal adjusted January 1st of each year with a minimum rate of 3.75% and a maturity date of December 31, 2022. The agreement was amended on December 9, 2013, increasing the line-of-credit to $3,330,966. The securities purchased with loan proceeds are to be held as collateral. Shares are released from collateral and allocated to participant's accounts as payments of principal and interest are made. The number of shares released in any year is equal to the number of shares held as collateral immediately before release multiplied by a fraction, the numerator of which is the principal and interest paid on the note that year and the denominator of which is the sum of the numerator plus the principal and interest to be paid for all future years, without taking into account extensions, renewals, or changes to interest rates.

8. Note Payable, Bank, Continued

During 2015, 172 shares were released and allocated to participant accounts. At December 31, 2015, the outstanding loan balance was $1,185,640 at an interest rate of 3.75% and 678 shares with a fair market value of $1,111,242 were being held as collateral.

As this is a non-revolving line-of-credit, the remaining amount available for future borrowings at December 31, 2015 was $469,193.

The Plan is entitled to all voting powers pertaining to the shares held in collateral unless the Plan defaults in payments on the line-of-credit.

Principal payments on the line-of-credit are payable on December 31st of each year in an amount not less than the amount necessary to fully amortize by equal payments the principal over the remaining term. Interest payments are payable on the last day of the year equal to the amount of interest accrued on the principal during the preceding year.

Aggregate maturities of this obligation for the next five years is as follows:

Years ending December 31,	2016	$ 169,377
	2017	169,377
	2018	169,377
	2019	169,377
	2020	169,377
	2021 and thereafter	338,755
		$ 1,185,640

9. Employer Contributions

The following Employer contributions were made for the years ending:

	December 31, 2015	December 31, 2014
ESOP:		
Cash	$ **1,200,000**	1,000,000
401(k):		
Cash	**180,159**	151,434
	$ **1,380,159**	1,151,434

Employer contributions for the years ended December 31, 2015 and 2014 included an allocation to pay the interest expense on promissory notes totaling $53,629 and $73,207, respectively.

10. Employee Contributions

Employee contributions for the years ended December 31, 2015 and 2014 included salary deferrals of $611,265 and $590,830, respectively and rollover contributions of $138,676 and $211,959, respectively.

11. Related Party Transactions

The Plan received dividends for the years ended December 31, 2015 and 2014 in the amount of $628,601 and $623,041, respectively for shares held of The Adirondack Trust Company and $407,067 and $407,631, respectively for the shares held of 473 Broadway Holding Corporation.

In addition, interest bearing cash accounts and certificates of deposit for the ESOP portion of the Plan are maintained by The Adirondack Trust Company and totaled $2,407,144 and $1,709,269 at December 31, 2015 and 2014, respectively.

12. Distributions

Distributions from the Plan during the year ended December 31, 2015, included benefits paid of $1,643,986 and dividends paid of $291,163. Distributions from the Plan during the year ended December 31, 2014 included benefits paid of $941,883 and dividends paid of $158,852.

13. Subsequent Events

The Plan Administrator has evaluated subsequent events through October 11, 2016 the date the financial statements were available to be issued.

SCHEDULE 1

THE ADIRONDACK TRUST COMPANY
EMPLOYEE STOCK OWNERSHIP PLAN

SCHEDULE H, ITEM 4I
SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES

DECEMBER 31, 2015

PLAN SPONSOR EIN 14-0458765/ PLAN NUMBER 002

IDENTITY OF ISSUE	DESCRIPTION	COST	MARKET VALUE
COMMON STOCK			
THE ADIRONDACK TRUST COMPANY*	12,377 SHARES, 678 SHARES HELD AS COLLATERAL	$ 9,662,274	20,285,903
473 BROADWAY HOLDING CORPORATION *	282 SHARES	$ 4,852,970	14,790,336
MUTUAL FUNDS			
AMERICAN FUNDS CAP WORLD GROWTH AND INCOME FUND CLASS R6	2,969.428 SHARES	117,794	128,725
FEDERATED TOTAL RETURN BOND FUND	18,314.014 SHARES	204,121	195,044
FEDERATED US GOVERNMENT SEC 2-5 YR	5,213.199 SHARES	60,325	56,928
FIDELITY CONTRAFUND	4,622.460 SHARES	389,070	457,392
FIDELITY TOTAL BOND	12,976.748 SHARES	137,937	133,141
OPPENHEIMER DEVELOPING MARKETS CLASS Y	4,543.435 SHARES	156,579	136,258
OPPENHEIMER DISCOVERY FUND CLASS Y	1,196.933 SHARES	90,749	89,387
PIMCO LOW DURATION FUND CLASS D	17,497.325 SHARES	180,153	172,524
SENTINEL COMMON STOCK FUND	7,208.090 SHARES	268,752	280,539
T ROWE PRICE DIVIDEND GROWTH FUND	8,996.046 SHARES	266,246	308,924
T ROWE PRICE VALUE FUND	10,112.835 SHARES	307,715	316,026
VANGUARD EQUITY INCOME FUND ADMIRAL	2,376.566 SHARES	158,899	147,228
VANGUARD 500 INDEX FUND ADMIRAL	2,184.659 SHARES	391,979	411,764
VANGUARD INFLATION PROTECTED SECURITIES FUND ADMIRAL	4,338.309 SHARES	113,716	109,369
VANGUARD INTERMEDIATE-TERM TREASURY FUND ADMIRAL	5,140.290 SHARES	58,466	57,880
VANGUARD MID-CAP GROWTH INVESTMENT FUND	9,130.771 SHARES	228,528	204,986
VANGUARD SHORT-TERM INVESTMENT GRADE FUND	12,274.049 SHARES	131,420	129,614
VANGUARD TOTAL STOCK MARKET INDEX FUND ADMIRAL	5,273.767 SHARES	272,038	267,855
VANGUARD WELLINGTON FUND ADMIRAL	22,818.727 SHARES	1,578,113	1,449,902
TOTAL MUTUAL FUNDS		$ 5,112,600	5,053,486

SEE INDEPENDENT AUDITOR'S REPORT.

THE ADIRONDACK TRUST COMPANY
EMPLOYEE STOCK OWNERSHIP PLAN

SCHEDULE H, ITEM 4I
SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES, CONTINUED

DECEMBER 31, 2015

PLAN SPONSOR EIN 14-0458765/ PLAN NUMBER 002

	2015	2014
NOTES RECEIVABLE FROM PARTICIPANTS		
PARTICIPANT LOANS - 3.25% - 4.25% INTEREST RATES	$ 102,712	70,290

*INVESTMENT IN IDENTIFIED PARTY-IN-INTEREST.

SEE INDEPENDENT AUDITOR'S REPORT.

SCHEDULE 1

THE ADIRONDACK TRUST COMPANY
EMPLOYEE STOCK OWNERSHIP PLAN

SCHEDULE H, ITEM 4I
SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES

DECEMBER 31, 2015

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THE ADIRONDACK TRUST COMPANY
EMPLOYEE STOCK OWNERSHIP PLAN

SCHEDULE H, ITEM 4I
SCHEDULE OF ASSETS HELD FOR INVESTMENT PURPOSES, CONTINUED

DECEMBER 31, 2015

PLAN SPONSOR EIN 14-0458765/ PLAN NUMBER 002

	2015	2014
NOTES RECEIVABLE FROM PARTICIPANTS		
PARTICIPANT LOANS - 3.25% - 4.25% INTEREST RATES	$ 102,712	70,290

*INVESTMENT IN IDENTIFIED PARTY-IN-INTEREST.

SEE INDEPENDENT AUDITOR'S REPORT.