

**WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2012**

**WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Wayne County Industrial Development Agency  
Lyons, New York

### Report on the Financial Statements

We have audited the accompanying financial statements of Wayne County Industrial Development Agency as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 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 entity'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 entity'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 financial position of Wayne County Industrial Development Agency as of December 31, 2012, and the changes in its financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 7 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### Other Information

As discussed in Note 1 to the financial statements, in 2012 the Agency adopted the provisions of GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and Statement No. 65, *Items Previously Reported as Assets and Liabilities*.

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 supplemental schedule of Revolving Loan Funds on pages 18 to 19 and the schedule of Project Information on pages 20 to 21 are presented for purpose of additional analysis and are not a required part of the basic financial statements.

The supplemental schedule of Revolving Loan Funds and the schedule of Project Information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedule of Revolving Loan Funds and the schedule of Project Information are fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2013, on our consideration of Wayne County Industrial Development Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the 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 Wayne County Industrial Development Agency's internal control over financial reporting and compliance.

*EFP Rotenberg, LLP*

EFP Rotenberg, LLP  
Rochester, New York  
March 22, 2013

**WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2012**

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As management of the Wayne County Industrial Development Agency (the "Agency") we offer readers of the Agency's financial statements this narrative overview and analysis of the financial activities of the Agency for the year ended December 31, 2012. This narrative should be read in conjunction with the Agency's audited financial statements.

### **Financial Highlights**

- The assets of the Agency exceed its liabilities (net position) at December 31, 2012 by \$4,684,175. Of this amount, \$671,467 is *unrestricted net position*, meaning that these amounts are available for use in furthering the Agency's mission.
- The Agency's liquidity remains strong with \$665,379 in unrestricted cash.
- A decrease in loan demand together with a large prepayment resulted in a decrease of \$396,996 or 14.6% in loans receivable net of the allowance.

### **Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the Agency's basic financial statements. This report includes the independent auditors' report, financial statements, notes to financial statements, and other supplemental information that will enhance the reader's understanding of the financial condition of the Agency.

**Required Financial Statements** - The financial statements are prepared using the accrual basis of accounting. The financial statements include:

- **Statement of Net Position** - Presents all assets, liabilities and net position of the Agency at December 31, 2012. The statement provides information about the amounts and investments in resources (assets) and the obligations to creditors (liabilities).
- **Statement of Activities** - Presents the financial activity for the year ended December 31, 2012 and displays how this activity changed the Agency's net position. The statement provides information on the Agency's operations and can be used to determine if the Agency has recovered all of its costs through grants, user fees and other charges.
- **Statement of Cash Flows** - Presents the cash provided and used in operations, investments and financing activities during 2012 and how it affects the cash balance at December 31, 2012.
- **Notes to Financial Statements** - Provide information regarding the Agency and explain in more detail information included in the financial statements.

### **Financial Analysis**

The Agency provides financial incentives and technical assistance to businesses moving to or expanding in Wayne County where job and capital creation will help improve the economic climate of the County. The Agency's net position may serve over time as a useful indicator of its financial position. In the case of the Agency, assets exceeded liabilities by \$4,684,175 and \$4,856,124 at December 31, 2012 and 2011 respectively.

**WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**  
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**For the Year Ended December 31, 2012**

By far the Agency's largest types of assets are its cash and loans receivable. A condensed version of the Agency's statements of net assets follows:

**Table 1**  
**Condensed Statements of Net Position**  
**(In thousands of dollars)**

	<u>2012</u>	<u>2011</u>	<u>Dollar</u> <u>Change</u>	<u>%</u> <u>Change</u>	<u>2010</u>	<u>Dollar</u> <u>Change</u>	<u>%</u> <u>Change</u>
<b>Assets</b>							
Cash & cash equivalents	\$ 665.4	\$ 945.6	\$ (280.2)	(29.6)	\$ 576.8	\$ 368.8	63.9
Restricted cash	1,277.5	1,075.8	201.7	18.7	1,128.6	(52.8)	(4.7)
Loans receivable - net	2,311.7	2,708.7	(397.0)	(14.7)	2,378.5	330.2	13.9
Property and equipment - net	435.6	429.3	6.3	1.5	431.1	(1.8)	(0.4)
Other assets	33.9	29.2	4.7	16.1	84.9	(55.7)	(65.6)
Total assets	<u>4,724.1</u>	<u>5,188.6</u>	<u>(464.5)</u>	<u>(9.0)</u>	<u>4,599.9</u>	<u>588.7</u>	<u>12.8</u>
<b>Liabilities</b>							
Line of credit	-	247.4	(247.4)	(100.0)	-	247.4	100.0
Accounts payable	9.9	70.0	(60.1)	(85.9)	25.6	44.4	173.4
Deferred income	30.0	15.0	15.0	100.0	-	15.0	100.0
Total liabilities	<u>39.9</u>	<u>332.4</u>	<u>(292.5)</u>	<u>(88.0)</u>	<u>25.6</u>	<u>306.8</u>	<u>1198.4</u>
<b>Net Position</b>							
Net investment in capital assets	412.0	405.6	6.4	1.6	407.4	(1.8)	0.4
Net position - restricted	3,600.7	3,546.9	53.8	1.5	3,514.7	32.2	0.9
Net position - unrestricted	671.5	903.7	(232.2)	(25.7)	652.2	251.5	38.6
Total net position	<u>\$ 4,684.2</u>	<u>\$ 4,856.2</u>	<u>\$ (172.0)</u>	<u>(3.5)</u>	<u>\$ 4,574.3</u>	<u>\$ 281.9</u>	<u>6.2</u>

Significant changes in the statement of net position from 2011 to 2012 include:

- Cash decreased due to cash used for operating activities.
- Restricted cash increased due to loan repayments exceeding new loan disbursements during the year.
- Loans receivable decreased as a result of decreased loan demand and a large prepayment during the year.
- The Agency's line of credit had a zero balance after having a balance of \$247,400 at the end of 2011.
- Accounts payable in 2011 includes an amount to be paid to a recipient of a Small Business Administration Grant.
- Deferred Income is a Payment-in-Lieu-of-Taxes Incremental Financing Payment.
- The Agency's largest asset is its loan portfolio. Management assesses the quality of the loans on an ongoing basis. As a result, provisions are made for impaired loans as needed. At December 31, 2012 and 2011, based on management's evaluation, the loan loss reserve was adequate to cover projected loan losses.

**WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**  
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A condensed version of the Agency's statements of activities follows:

**Table 2**  
**Condensed Statements of Activities**  
**(In thousands of dollars)**

	<u>2012</u>	<u>2011</u>	<u>Dollar Change</u>	<u>% Change</u>	<u>2010</u>	<u>Dollar Change</u>	<u>% Change</u>
<b>Revenues</b>							
Contractual services and grants	\$ 560.1	\$ 539.1	\$ 21.0	3.9	\$ 550.0	\$ (10.9)	(2.0)
Agency fees	35.7	151.2	(115.5)	(76.4)	90.2	61.0	67.6
Interest - banks	3.9	5.6	(1.7)	(30.4)	6.3	(0.7)	(11.1)
Interest loans	97.9	97.0	0.9	0.9	85.5	11.5	13.5
Other income	5.6	17.0	(11.4)	(67.1)	27.4	(10.4)	(38.0)
Total revenues	<u>703.2</u>	<u>809.9</u>	<u>(106.7)</u>	<u>(13.2)</u>	<u>759.4</u>	<u>50.5</u>	<u>6.6</u>
<b>Expenses</b>							
Personnel	342.5	345.8	(3.3)	(1.0)	324.8	21.0	6.5
Program expense	93.5	7.1	86.4	1,216.9	201.4	(194.3)	(96.5)
Contractual services	366.3	114.8	251.5	219.1	136.7	(21.9)	(16.0)
Administrative and technical assistance	1.9	6.0	(4.1)	(68.3)	1.3	4.7	361.5
Loan loss	41.3	61.3	(20.0)	(32.6)	67.1	(5.8)	(8.6)
Other expense	29.7	(7.0)	36.7	524.3	20.1	(27.1)	(134.8)
Total expenses	<u>875.2</u>	<u>528.0</u>	<u>347.2</u>	<u>65.7</u>	<u>751.4</u>	<u>(223.4)</u>	<u>(29.7)</u>
<b>Change in Net Position</b>	(172.0)	281.9	(453.9)	(161.0)	8.0	273.9	3,423.8
<b>Beginning Net Position</b>	<u>4,856.2</u>	<u>4,574.3</u>	<u>281.9</u>	<u>6.2</u>	<u>4,566.3</u>	<u>8.0</u>	<u>0.2</u>
<b>Ending Net Position</b>	<u>\$ 4,684.2</u>	<u>\$ 4,856.2</u>	<u>\$ (172.0)</u>	<u>(3.5)</u>	<u>\$ 4,574.3</u>	<u>\$ 281.9</u>	<u>6.2</u>

Significant changes in the statement of revenues and expenses from 2011 to 2012 include:

- The County of Wayne has engaged the Agency to foster and encourage the location and/or expansion of manufacturing and industrial companies in the County. For this activity the County appropriated \$257,400 to the Agency for contractual services in 2012 and 2011. The County has also appropriated funding to the Agency for business retention and attraction projects in the amount of \$292,600 for 2012 and \$281,737 for 2011.
- Overall, revenues decreased due to a decrease in Agency fees as a result of fewer projects assisted during 2012.
- Personnel costs decreased slightly due a reduction in staff during August 2012.
- Program expenses in 2012 decreased due to no companies using the program for infrastructure and capacity building during the year.

**WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**  
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- Contractual expenses increased reflecting more incentives to businesses for relocation.
- Loan loss expense decreased based on management's continuing analysis of the quality of the loan portfolios in light of changing economic conditions.
- Other expenses increased primarily due to a contribution to a related entity.

Another important factor in the consideration of fiscal condition is the Agency's cash position and statement of cash flows. A condensed version of the Agency's statements of cash flows - operating fund follows:

**Table 3**  
**Condensed Statements of Cash Flows - Operating Fund**  
**(In thousands of dollars)**

	<u>2012</u>	<u>2011</u>	<u>2010</u>
<b>Cash Flows from Operating Activities</b>			
Receipts from providing services	\$ 491.9	\$ 605.6	\$ 550.0
Payments to suppliers	(464.6)	(51.9)	(437.3)
Payments to employees	(342.5)	(345.9)	(324.8)
Other operating revenue	41.3	158.2	108.5
Net cash provided by operating activities	<u>(273.9)</u>	<u>366.0</u>	<u>(103.6)</u>
<b>Cash Flows from Investing Activities</b>			
Investment income	2.1	3.1	4.2
Certificates of deposit	113.3	(1.6)	(3.2)
Property and equipment additions	(8.3)	-	(1.1)
Net cash provided by investing activities	<u>107.1</u>	<u>1.5</u>	<u>(0.1)</u>
<b>Net Change in Cash and Cash Equivalents</b>	(166.8)	367.5	(103.7)
<b>Beginning Cash and Cash Equivalents</b>	<u>676.7</u>	<u>309.2</u>	<u>412.9</u>
<b>Ending Cash and Cash Equivalents</b>	<u>\$ 509.9</u>	<u>\$ 676.7</u>	<u>\$ 309.2</u>

Significant changes in the statement of cash flows include:

- Receipts from providing services decreased due to the timing of a grant payable in the prior year.
- Payments to suppliers increased as a result of increased expenses for contracted services and payment of grants payable.
- Other operating revenue decreased primarily to the reduction in the amount of Agency fees received during the year.
- Change in certificates of deposits is due to more investment or redemption of certificates of deposit from year to year.

**WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**  
**Management's Discussion and Analysis**  
**For the Year Ended December 31, 2012**

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**Capital Assets**

The Agency's major capital asset is approximately forty-two acres of land that was purchased in 2008 for \$400,238 in order to expand the Agency's Industrial Sustainability Park.

**Long-Term Debt**

The Agency has no direct long-term debt but has entered into conduit financing agreements with two companies with a total of \$6,578,334 in bonds outstanding at the end of 2012. These transactions are not recorded on the Agency's financial statements but are disclosed in the notes to the financial statements.

**Economic Factors**

The Agency's basic purpose is to assist business growth and expansion in Wayne County, New York. The business and economic climate in the County have been relatively steady over the past two years despite more adverse conditions facing other parts of the United States.

**Contacting the Agency**

This financial report is designed to provide a general overview of the Agency's finances for interested individuals. Questions regarding this report or requests for additional information should be directed to the Wayne County Industrial Development Agency, 16 William Street, Lyons, New York 14489 - Attention: Executive Director.

**WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**  
**Statement of Net Position**  
**December 31, 2012**

	<u>Operating Fund</u>	<u>Non- Operating Revolving Loan Funds</u>	<u>Total All Funds</u>
<b>ASSETS</b>			
<b>Assets</b>			
Cash and cash equivalents	\$ 509,998	\$ -	\$ 509,998
Certificate of deposits	155,381	-	155,381
Restricted cash	-	1,249,158	1,249,158
Restricted certificate of deposit	28,301	-	28,301
Prepaid expenses	17,731	-	17,731
Loans receivable - net of allowance for loan losses	-	2,311,692	2,311,692
Interest receivable	-	16,207	16,207
Property and equipment - net	<u>411,983</u>	<u>23,668</u>	<u>435,651</u>
<b>Total Assets</b>	<b><u>\$ 1,123,394</u></b>	<b><u>\$ 3,600,725</u></b>	<b><u>\$ 4,724,119</u></b>
<b>LIABILITIES AND NET POSITION</b>			
<b>Liabilities</b>			
Accounts payable	\$ 1,594	\$ -	\$ 1,594
Grants payable	8,350	-	8,350
Contract advances	<u>30,000</u>	-	<u>30,000</u>
Total liabilities	<u>39,944</u>	<u>-</u>	<u>39,944</u>
<b>Net Position</b>			
Net investment of capital assets	411,983	23,668	435,651
Restricted for revolving funds	-	3,577,057	3,577,057
Unrestricted	<u>671,467</u>	-	<u>671,467</u>
Total net position	<u>1,083,450</u>	<u>3,600,725</u>	<u>4,684,175</u>
<b>Total Liabilities and Net Position</b>	<b><u>\$ 1,123,394</u></b>	<b><u>\$ 3,600,725</u></b>	<b><u>\$ 4,724,119</u></b>

The accompanying notes are an integral part of these financial statements.

**WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**  
**Statement of Activities**  
**For the Year Ended December 31, 2012**

	<u>Operating Fund</u>	<u>Non- Operating Revolving Loan Funds</u>	<u>Total All Funds</u>
<b>Revenues</b>			
Contractual services and grants	\$ 550,000	\$ -	\$ 550,000
Agency and administrative fees	35,670	-	35,670
Interest - loans	-	97,954	97,954
Interest - banks	2,073	1,833	3,906
Other revenue	5,602	-	5,602
In-kind income	<u>10,070</u>	<u>-</u>	<u>10,070</u>
Total revenues	<u>603,415</u>	<u>99,787</u>	<u>703,202</u>
<b>Expenses</b>			
Program expense	93,522	-	93,522
Contractual services	366,309	-	366,309
Salaries	239,102	-	239,102
Employee benefits	103,369	-	103,369
Administrative and technical assistance	-	1,916	1,916
Depreciation	1,893	-	1,893
Occupancy	10,070	-	10,070
Loan loss	-	41,344	41,344
Interest expense	-	1,626	1,626
Other expense	<u>15,000</u>	<u>1,000</u>	<u>16,000</u>
Total expenses	<u>829,265</u>	<u>45,886</u>	<u>875,151</u>
<b>Change in Net Position</b>	(225,850)	53,901	(171,949)
<b>Net Position - Beginning</b>	<u>1,309,300</u>	<u>3,546,824</u>	<u>4,856,124</u>
<b>Net Position - Ending</b>	<u>\$ 1,083,450</u>	<u>\$ 3,600,725</u>	<u>\$ 4,684,175</u>

The accompanying notes are an integral part of these financial statements.

**WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2012**

	<b>Operating Fund</b>	<b>Non- Operating Revolving Loan Funds</b>	<b>Total All Funds</b>
<b>Cash Flows from Operating Activities</b>			
Receipts from providing services	\$ 491,934	\$ -	\$ 491,934
Payments to suppliers for goods and services	(464,601)	(3,681)	(468,282)
Payments to employees	(342,471)	-	(342,471)
Other operating revenue	<u>41,272</u>	<u>-</u>	<u>41,272</u>
Net cash flow from operating activities	<u>(273,866)</u>	<u>(3,681)</u>	<u>(277,547)</u>
<b>Cash Flow From Capital and Related Financing Activities</b>			
Line of credit repayment	-	(247,400)	(247,400)
Interest paid	<u>-</u>	<u>(1,626)</u>	<u>(1,626)</u>
Net cash flow from capital and related financing activities	<u>-</u>	<u>(249,026)</u>	<u>(249,026)</u>
<b>Cash Flows from Investing Activities</b>			
Certificates of deposit	113,314	-	113,314
Property and equipment additions	(8,298)	-	(8,298)
Investment income	2,073	1,833	3,906
Loan interest received	-	96,689	96,689
Development loans repaid	-	396,996	396,996
Loan loss	<u>-</u>	<u>(41,344)</u>	<u>(41,344)</u>
Net cash flow from investing activities	<u>107,089</u>	<u>454,174</u>	<u>561,263</u>
<b>Net Change in Cash and Cash Equivalents</b>	(166,777)	201,467	34,690
<b>Cash and Cash Equivalents - Beginning</b>	<u>676,775</u>	<u>1,047,691</u>	<u>1,724,466</u>
<b>Cash and Cash Equivalents - Ending</b>	<u>\$ 509,998</u>	<u>\$ 1,249,158</u>	<u>\$ 1,759,156</u>
<b>Reconciliation of Change in Net Position to Net Cash Flows from Operating Activities</b>			
Change in net position	\$ (225,850)	\$ 53,901	\$ (171,949)
Adjustments			
Depreciation	1,893	-	1,893
Investment income	(2,073)	(1,833)	(3,906)
Loan interest income	-	(97,954)	(97,954)
Loan loss	-	41,344	41,344
Interest expense	-	1,626	1,626
Change in assets and liabilities			
Prepaid expenses	(3,519)	-	(3,519)
Accounts payable	(1,251)	(765)	(2,016)
Grants payable	(58,066)	-	(58,066)
Contract advances	<u>15,000</u>	<u>-</u>	<u>15,000</u>
<b>Net Cash Flows from Operating Activities</b>	<u>\$ (273,866)</u>	<u>\$ (3,681)</u>	<u>\$ (277,547)</u>

The accompanying notes are an integral part of these financial statements.

**WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**  
**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies and Scope of Organization**

**Scope of Organization** - Wayne County Industrial Development Agency (WCIDA) of Lyons, New York is a not-for-profit public benefit corporation which was established May 22, 1969, under the mandate of Article 18-A, "New York State Industrial Development Agency Act" of New York State general municipal law. The purpose of WCIDA is to advance the job opportunities, health, general propensity and economic welfare of the people of Wayne County, New York (the County) and improve their recreation opportunities and standard of living. WCIDA is considered a related organization of the County of Wayne, New York.

WCIDA meets this purpose by providing conduit financing through the issuance of tax exempt or taxable obligations, financing projects through the use of revolving loans that are normally secured by a mortgage or lien on the property, and by use of payments in lieu of taxes (PILOT) programs which allow for the full or partial exemption from real property, sales and mortgage taxes.

**Basis of Accounting** - Beginning in 2012, the Agency adopted the provisions of GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This statement codifies all sources of accounting principles generally accepted in the United States of America into the GASB's authoritative literature.

The accounts of the Agency are maintained on the accrual basis of accounting. Proprietary funds are used to account for activities that are similar to those often found in the private sector. The measurement focus is on the determination of operating income, financial position, changes in net position and cash flows. Operating revenues include charges for services. Operating expenses include costs of services as well as, materials, contracts, personnel, and depreciation.

**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 disclosure 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.

**Basis of Presentation** - Beginning in 2012, the Agency adopted the provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and Statement No. 65, *Items Previously Reported as Assets and Liabilities*. These statements provide guidance on presenting deferred outflows, deferred inflows and net position. Net position represents assets and deferred outflows of resources less liabilities and deferred inflows of resources. GASB requires the classification of net position into three classifications defined as follows:

Net investment of capital assets - This component of net position consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

Restricted net position - This component of net position is considered restricted if its use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets. At December 31, 2012 and 2011, the Agency had \$3,600,725 and \$3,546,824 in restricted net position, respectively.

Unrestricted net position - This component of net position consists of all other net position that does not meet the definition of the above two components and is available for general use by the Agency.

**Cash and Cash Equivalents** - For the purposes of the statement of financial position and statement of cash flows, cash and cash equivalents include deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less.

**WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**  
**Notes to Financial Statements**

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**Investment Policy** - WCIDA has a formal investment policy approved by the Board of Directors that defines permitted investments and establishes collateralization requirements for all investments. See Note 2 for further information regarding the Agency's investment policy.

**Restricted Cash** - This account is used to record cash transactions and to show cash balances restricted for use as part of the WCIDA revolving loan funds.

**Restricted Certificate of Deposit** - WCIDA has elected not to participate in the New York State Unemployment Insurance program and has established a restricted certificate of deposit for the purpose of funding unemployment claims, if any.

**Receivables** - Receivables are stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the credit history with customers having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end will be immaterial and therefore an allowance has not been established.

**Property and Equipment** - Property and equipment is stated at the lower of cost or fair market value at the date of donation or the date of purchase, less accumulated depreciation. Routine maintenance and repairs are charged to operations as they are incurred. Expenditures in excess of \$1,000 which extend the useful life of an asset are capitalized. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are eliminated and the resulting gain or loss, if any, is included in operations. Depreciation is computed using the straight-line method over the following estimated useful lives.

Equipment

5 - 7 Years

Depreciation expense amounted to \$1,893 for the year ended December 31, 2012.

**Allowance for Loan Losses** - The allowance for loan losses consists of the provision for loan losses charged to operations based upon management's evaluation of the loan portfolio considering such factors as historical loan experience, review of specific loans, current economic conditions and such other factors as management considers appropriate to estimate loan losses. Loan losses and the recovery of loans previously charged off are charged or credited to the allowance as incurred or realized, respectively.

The allowance for loan losses is maintained at a level believed by management to be adequate to provide for the inherent risk of loss in the current loan portfolio. While management uses available information to recognize losses on loans, future additions to the allowance may be necessary based on changes in economic conditions. A loan is considered to be impaired when, based on current information and events, it is probable that WCIDA will be unable to collect all contractual interest and principal payments according to the terms of the loan agreement. As a practical expedient, valuation of an impaired loan may be based on the loan's observable market price or the fair value of collateral if the loan is collateral dependent. An impairment loss exists if the recorded investment in the loan exceeds the value of the loan as measured by the aforementioned methods. Impairment losses are included as a component of the allowance for loan losses.

**Conduit Financing** - One of the activities of WCIDA is to provide low-cost financing, through the issuance of tax exempt or taxable obligations, for commercial enterprises. In the normal arrangement WCIDA retains title to the property, equipment, or improvement and enters into a lease or mortgage agreement with the benefited enterprise. Lease or mortgage payments are structured to coincide with debt service payments. Proceeds of obligations as well as debt service payments are administered by the benefited enterprise through a trustee bank. The obligations are not obligations of WCIDA; the primary function of WCIDA is to arrange financing between borrowing companies and the bond note holders. Consequently in these conduit financing arrangements WCIDA does not record bond proceeds, the assets acquired, liabilities incurred or debt service payments in the financial statements.

**Grants Payable** - Grants payable are stated at the amount specified in the grant agreements.

**WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**  
**Notes to Financial Statements**

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**Deferred Income** - Deferred income represents revenue received but not yet earned for a payment in lieu of taxes incremental tax refinancing agreement.

**Note 2. Certificates of Deposit**

The Agency has a formal investment policy which is in compliance with the laws of the State of New York, Chapter 838, Title 7, Section 2925. The Agency is permitted to invest funds in the following types of investments: special time deposit accounts, certificates of deposit, obligations of the United States of America, obligations guaranteed by agencies of the United States of America where payment of principal and interest are guaranteed by the United States of America and obligations of the State of New York. All deposits of the Agency are required to be collateralized. The Agency may contract for the purchase of investments in the following manners: directly, including through a repurchase agreement, from an authorized trading partner, by participation in a cooperative investment program with another authorized governmental entity or by utilizing an ongoing investment program with an authorized trading partner pursuant to a contract authorized by the governing board. It is the policy of the Agency to diversify its deposits and investments by financial institution, by investment instrument and by maturity scheduling. The Agency maintains a listing of financial institutions and dealers approved for investment purposes. The Agency also establishes appropriate limits to the amount of investments which can be made with each financial institution or dealer. The Agency maintains proper books and records supporting all investment and deposit accounts held by the Agency.

As of December 31, 2012, WCIDA had certificates of deposit held at banks as follows:

**Unrestricted**

A six month certificate of deposit at Savannah Bank with interest at .40% maturing on January 9, 2013.	\$ 78,365
A six month certificate of deposit at Savannah Bank with interest at .35% maturing on April 20, 2013.	<u>77,016</u>
Total	<u>\$ 155,381</u>

**Restricted**

A twelve month certificate of deposit at Lyons National Bank with interest at .65% maturing on February 18, 2013. Use of funds is restricted to unemployment insurance claims.	<u>\$ 28,301</u>
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The certificates of deposit are fully collateralized as of December 31, 2012.

**WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**  
**Notes to Financial Statements**

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**Note 3. Deposits and Investments**

The Agency's investment policies are governed by state law. Collateral is required for demand deposits, certificates of deposit, and repurchase agreements not covered by federal deposit insurance. Obligations which may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

The amounts on deposit in banking institutions and the related collateral as of December 31, 2012 excluding certificates of deposit are as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Demand and savings deposits	\$ <u>1,759,156</u>	\$ <u>1,813,734</u>
Covered by FDIC insurance		\$ 692,391
Pledged collateral		<u>1,121,343</u>
Total deposits		\$ <u>1,813,734</u>

**Note 4. Related Party Transactions**

**Contractual Services** - The County has engaged WCIDA to foster and encourage the location and/or expansion of industrial or manufacturing plants in the County. The 2012 Wayne County budget appropriated \$257,400 for WCIDA for contractual services, which was paid through quarterly installments. The County also has appropriated funding to WCIDA for business retention and attraction projects in the amount of \$292,600 during the year ended December 31, 2012.

At December 31, 2012, no outstanding amounts were owed by the County.

The WCIDA, per a resolution, provided returned funds of \$100,000 to the Wayne County Treasurer.

**Agency Fees** - Agency fees, resulting from the establishment of PILOT agreements, amounted to \$34,170 for the year ended December 31, 2012.

See Note 12 for additional related party transaction.

**Note 5. Revolving Loan Funds**

A common function of WCIDA is to administer revolving loan funds for the purpose of fostering economic development. The source of funds to finance the loan payment may be from state, federal, or private grants or from funds of WCIDA itself. Whether the loan funds are restricted by a grant agreement or funded from WCIDA monies, they are established directly from net position and reported as a reservation of net position. Thus, grants received from outside sources which will be used to make loans from a revolving fund are recorded as a non-operating revenue.

Loans to commercial enterprises and principal repayments are not recorded through revenue and expenses. Any interest income is restricted to making future loans and is credited to revenues and closed to the restricted net position.

Total revolving loans receivable from various commercial enterprises as of December 31, 2012 were \$2,545,047. The loans have an associated allowance for loan losses of \$233,355 resulting in net loans receivable of \$2,311,692.

At December 31, 2012, total interest receivable due on revolving loans amounted to \$16,207. In addition, at December 31, 2012, total loans included in the revolving loan funds on a non-accrual status amounted to approximately \$208,812. Interest on these loans is recorded when paid to WCIDA. At December 31, 2012 interest not received or recorded amounted to \$38,870.

**WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**  
**Notes to Financial Statements**

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**Note 6. Property and Equipment**

Property and equipment consists of the following at December 31, 2012:

**Operating Fund**

Land	\$ 400,238
Equipment	<u>19,542</u>
Sub-total	419,780
Less - accumulated depreciation	<u>(7,797)</u>
Property and equipment - net	<u>\$ 411,983</u>

**Small Cities Loan Fund**

Land	\$ <u>23,668</u>
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The land reported in the Small Cities Loan Fund resulted from the transfer of a deed in lieu of payment of a loan receivable.

**Note 7. Line of Credit**

WCIDA maintains a \$1,000,000 line of credit with Lyons National Bank that bears interest at the prime rate minus 1%, or 2.25% at December 31, 2012. At December 31, 2012, there was no outstanding principal balance. The line of credit is collateralized by the loans receivable generated by the Revolving Loan Fund.

WCIDA also has a second line of credit with Lyons National Bank in the amount of \$500,000 that also bears interest at the prime rate minus 1%. At December 31, 2012, there was no outstanding principal balance. This line is also collateralized by the loans receivable generated by the Revolving Loan Fund and requires that the loan aging report be submitted to the bank quarterly.

**Note 8. Industrial Revenue Bonds**

WCIDA has entered into the following conduit financing arrangements where the primary function of WCIDA was to arrange financing through the issuance of Industrial Revenue Bonds between the companies identified below and the bond holders. As conduit financing arrangements, the assets and liabilities resulting from the transactions are not recorded in these financial statements.

Although not part of the accounting system, New York State statute requires disclosure of these transactions listing all bonds as follows:

<u>Company</u>	<u>Date of Issuance</u>	<u>Date of Maturity</u>	<u>Outstanding End of Year</u>
Seneca Foods Corporation	1992	2017	\$ 5,060,000
Wayne Hostels Holding	1993	2018	<u>1,518,334</u>
Total			<u>\$ 6,578,334</u>

**WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**  
**Notes to Financial Statements**

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**Note 9. Payments in Lieu of Taxes (PILOT's)**

A significant inducement in WCIDA projects is exemption from real property, sales, and mortgage taxes. By law, all property titled to WCIDA is exempt from these taxes. In practice, however, payments in lieu of taxes (PILOT's) are often negotiated with the private developer. PILOT's may represent full or partial remuneration to one or more of the real property tax jurisdictions involved.

WCIDA is responsible for tracking all PILOT payments whether made by WCIDA in connection with property it owns or made directly to the taxing authorities by the organizations participating in the program. A total of 43 organizations participated in the PILOT's program and \$1,473,499 in payments were administered by WCIDA for the year ended December 31, 2012. The PILOT payments are not recorded on the financial statements.

**Note 10. In-Kind Contributions**

WCIDA records various types of in-kind contributions, including contributed tangible assets and services. The contributions of tangible assets are recognized at the date of the contribution and are recorded at fair market value. Contributed services are recognized if the services received either create or enhance long-lived assets, or require specialized skills that are provided by individuals possessing those skills that typically would need to be purchased if not provided by donation. The amounts reflected in the accompanying financial statements as in-kind contributions are recorded by the gross method with offsetting amounts included in expenses or property and equipment.

WCIDA offices are housed in a building owned by the County. The County does not charge rents to WCIDA for the use of the facility. Based upon office square footage of 1,067 square feet and a rate of \$7.50 per square foot plus utilities, total rents of \$10,070 have been recorded as rent expense and a corresponding amount is included in revenue as in-kind income.

**Note 11. Employee Benefit Plan**

**Plan Description** - WCIDA participates in the New York State and Local Employee' Retirement System (ERS) a cost-sharing multiple-employer retirement system. The ERS provides retirement benefits as well as death and disability benefits. Obligations of employers and employees to contribute and benefits to employees are governed by the New York State Retirement and Social Security Law (NYSRSSL). As set forth in NYSRSSL, the Comptroller of the State of New York serves as sole trustee and administrative head of the ERS. The Comptroller shall adopt and may amend rules and regulations for the administration and transaction of business of the ERS and for the custody and control of the ERS funds. The ERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement Systems, Gov. Alfred E. Smith, State Office Building, Albany, NY 12244.

**Funding Policy** - The ERS Tiers I through IV are non-contributory except for employees with less than 10 years of service who contribute 3% of their salary and Tier V employees who contribute 3% of their salary. Under the authority of NYSRSSL, the Comptroller shall certify annually the rate expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund.

WCIDA is required to contribute at an actuarially determined rate. The required contributions for the current year and two preceding years were:

2012	\$	49,831
2011	\$	39,619
2010	\$	28,289

The ERS plan year ends March 31st. The required contribution noted above for 2012 is for the plan year ending March 31, 2013. The contribution was paid before December 31, 2012, resulting in a prepaid expense of \$12,458 at December 31, 2012.

**WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**  
**Notes to Financial Statements**

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**Note 12. Budget Comparison**

The following is a comparison of budgeted expenditures to actual expenditures for the year ended December 31, 2012:

	<u>Budget</u>	<u>Actual</u>	<u>Difference</u>
Program/contractual services/other	\$ 374,750	\$ 474,831	\$ 100,081
Salaries	250,300	239,102	(11,198)
Employee benefits	113,200	103,669	(9,531)
Depreciation	300	1,893	1,593
Occupancy	<u>10,000</u>	<u>10,070</u>	<u>70</u>
Total	<u>\$ 748,550</u>	<u>\$ 829,565</u>	<u>\$ 81,015</u>

The major variance to the budget during 2012 was in the area of program and contractual expenses in the amount of \$100,081. This was due primarily to more than anticipated companies using available programs for infrastructure and capacity building during the year. Employee benefits and salaries were lower than planned due to an employee leaving during the year.

**Note 13. Reclassification**

Certain reclassifications have been made to the financial statements for the year ended December 31, 2012. These reclassifications are for comparative purposes only and have no effect on change in net position as originally reported.

**Note 14. Subsequent Events**

Subsequent to year end it was approved by the County to provide a grant of CDBG assets to the Wayne Economic Development Corporation to capitalize and implement an economic development loan fund. These funds have previously been held by the IDA under various subrecipient agreements with the County and for the year ended December 31, 2012, \$823,277 of restricted cash in loan funds and \$305,890 of loans receivable will be subject to a this new subrecipient agreement during 2013.

**WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**  
**Supplemental Schedule of Revolving Loan Funds**  
**December 31, 2012**

	<u>WCIDA Revolving Loan Fund</u>	<u>Small Cities Loan Fund - Micro</u>	<u>Small Cities Loan Fund - Main St.</u>	<u>Small Cities Loan Fund - Optimax</u>	<u>Agri Business Loan Fund</u>	<u>Other Loan Fund</u>	<u>Total Revolving Loan Funds</u>
<b>ASSETS</b>							
<b>Assets</b>							
Restricted cash	\$ 343,893	\$ 174,391	\$ 79,633	\$ 223,294	\$ 345,959	\$ 81,988	\$ 1,249,158
Loans receivable - net of allowance for loan losses	1,928,177	63,526	93,864	-	148,501	77,624	2,311,692
Interest receivable	9,840	2,016	761	-	2,726	864	16,207
Property and equipment - net	<u>-</u>	<u>-</u>	<u>23,668</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,668</u>
<b>Total Assets</b>	<b><u>\$ 2,281,910</u></b>	<b><u>\$ 239,933</u></b>	<b><u>\$ 197,926</u></b>	<b><u>\$ 223,294</u></b>	<b><u>\$ 497,186</u></b>	<b><u>\$ 160,476</u></b>	<b><u>\$ 3,600,725</u></b>
<b>LIABILITIES AND NET POSITION</b>							
<b>Liabilities</b>							
Line of credit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accounts payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net Position</b>							
Restricted revolving funds	<u>2,281,910</u>	<u>239,933</u>	<u>197,926</u>	<u>223,294</u>	<u>497,186</u>	<u>160,476</u>	<u>3,600,725</u>
<b>Total Liabilities and Net Position</b>	<b><u>\$ 2,281,910</u></b>	<b><u>\$ 239,933</u></b>	<b><u>\$ 197,926</u></b>	<b><u>\$ 223,294</u></b>	<b><u>\$ 497,186</u></b>	<b><u>\$ 160,476</u></b>	<b><u>\$ 3,600,725</u></b>

**WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**  
**Supplemental Schedule of Revolving Loan Funds**  
**For the Year Ended December 31, 2012**

	<u>WCIDA Revolving Loan Fund</u>	<u>Small Cities Loan Fund - Micro</u>	<u>Small Cities Loan Fund - Main St.</u>	<u>Small Cities Loan Fund - Optimax</u>	<u>Agri Business Loan Fund</u>	<u>Other Loan Fund</u>	<u>Total Revolving Loan Funds</u>
<b>Revenues</b>							
Interest - loans	\$ 84,035	\$ 1,118	\$ 4,235	\$ -	\$ 3,185	\$ 5,381	\$ 97,954
Interest - banks	388	451	163	205	420	206	1,833
Total revenues	<u>84,423</u>	<u>1,569</u>	<u>4,398</u>	<u>205</u>	<u>3,605</u>	<u>5,587</u>	<u>99,787</u>
<b>Expenses</b>							
Administrative and technical assistance	15	1,783	118	-	-	-	1,916
Loan loss	9,572	19,840	684	-	1,807	9,441	41,344
Interest expense	1,626	-	-	-	-	-	1,626
Other expense	-	-	1,000	-	-	-	1,000
Total expenses	<u>11,213</u>	<u>21,623</u>	<u>1,802</u>	<u>-</u>	<u>1,807</u>	<u>9,441</u>	<u>45,886</u>
<b>Change in Net Position</b>	73,210	(20,054)	2,596	205	1,798	(3,854)	53,901
<b>Net Position - Beginning</b>	<u>2,208,700</u>	<u>259,987</u>	<u>195,330</u>	<u>223,089</u>	<u>495,388</u>	<u>164,330</u>	<u>3,546,824</u>
<b>Net Position - Ending</b>	<u>\$ 2,281,910</u>	<u>\$ 239,933</u>	<u>\$ 197,926</u>	<u>\$ 223,294</u>	<u>\$ 497,186</u>	<u>\$ 160,476</u>	<u>\$ 3,600,725</u>

Wayne County Industrial Development Agency  
Project Information  
December 31, 2012

* Project Code	* Project Type	* Project Name	* Is this project part of or related to an existing multi-phase project?	* If Yes: What is the original project code?	* Project Purpose Category	* Total Project Amount	* Benefited Project Amount	Bond/Note Amount	Annual Lease Payment	Federal Tax Status of Bonds	Is the applicant a Not-for Profit corporation?	* Date Project Approved	Did the IDA take title or leasehold interest in the property?	Date IDA Took Title or Leasehold Interest in Property	* Year Financial Assistance is Planned to End	* State Sales Tax Exemption	* Local Sales Tax Exemption (Sum of City/Town/Village)	County Real Property Tax Exemption	Local Property Tax Exemption	School Property Tax Exemption
5401-02-03A	Lease	Acadia Polymers Corp	N		Manufacturing	1277000	750000	0			N	08/21/2002	Y	02/17/2004	2014	0.00	0.00	5511.14	3636.79	16304.54
5401-12-02A	Lease	AEY Development, LLC	N		Finance, Insurance, Real Estate	707000	667000	0			N	3/23/2012	Y	4/4/2012	2023	4839.80	4839.80	0.00	0.00	0.00
5401-07-03A/B	Lease	Bella Design	N		Manufacturing	568132	540000	0			N	04/27/2007	Y	08/01/2007	2018	0.00	0.00	5842.12	2534.99	23221.68
5401-02-04A	Lease	Cahoon Farms Leasing	N		Manufacturing	2443200	1677040	0			N	10/28/2002	Y	02/22/2003	2014	0.00	0.00	16194.74	7433.30	33425.35
5401-08-01A	Lease	CIDC	N		Other Categories	417500	417500	0			N	02/22/2008	Y	02/01/2008	2018	0.00	0.00	3998.16	10957.94	13353.46
5401-04-02A	Lease	CL Enterprises LLC	N		Manufacturing	220000	206000	0			N	09/01/2004	Y	02/27/2006	2016	0.00	0.00	4389.32	1904.59	14737.66
5401-05-01A	Lease	DJ Property Management	N		Manufacturing	6650000	6300000	0			N	10/28/2005	Y	11/17/2005	2016	0.00	0.00	16368.02	6173.46	45344.92
5401-10-04A	Lease	Empire Fruit Growers Cooperative	N		Agriculture, Forestry and Fishing	5722500	5580000	0			N	09/24/2010	Y	01/11/2011	2021	0.00	0.00	26182.09	12017.43	54038.85
5401-98-05A	Lease	ERM Associates	N		Manufacturing	1420500	1381500	0			N	10/27/1998	Y	03/01/1999	2014	0.00	0.00	30671.56	11568.27	0.00
5401-07-01A	Lease	ERM Associates - 2	Y	5401-98-05A	Manufacturing	4956980	4906980	0			N	04/02/2007	Y	05/17/2007	2018	0.00	0.00	0.00	0.00	0.00
5401-05-03A	Lease	Garlock Sealing Technologies	N		Manufacturing	37000000	37000000	0			N	12/28/2005	Y	03/27/2006	2025	102.85	102.85	37127.94	17818.20	105433.73
5401-00-02A	Lease	Halstead Machine	N		Manufacturing	550000	442700	0			N	07/31/2000	Y	11/28/2000	2014	0.00	0.00	4440.62	9351.20	12375.69
5401-07-06A	Lease	Halstead Machine - 2	Y	5401-00-02A	Manufacturing	291000	279500	0			N	10/22/2007	Y	10/22/2007	2019	0.00	0.00	0.00	0.00	0.00
5401-00-01A	Lease	Information Packaging Corp.	N		Manufacturing	1400400	1300000	0			N	06/30/2000	Y	12/27/2000	2015	0.00	0.00	9277.98	4025.87	31151.96
5401-08-04A/B	Lease	JAMKO	N		Manufacturing	1230000	1200000	0			N	10/24/2008	Y	11/01/2008	2019	0.00	0.00	10297.10	10381.22	31360.51
5401-07-02A	Lease	K.M. Davies Co., Inc.	N		Agriculture, Forestry and Fishing	3400000	3400000	0			N	05/25/2007	Y	06/22/2007	2019	0.00	0.00	27157.92	15026.49	96588.65
5401-11-03A	Lease	K.M. Davis - 2	Y	5401-07-02A	Agriculture, Forestry and Fishing	4476417	3846769	0			N	6/3/2011	Y	8/1/2011	2022	0.00	0.00	0.00	0.00	0.00
5401-10-05A	Lease	Kairos, LLC/Ankom 2	N		Manufacturing	702500	600000	0			N	09/25/2010	Y	12/15/2010	2021	0.00	0.00	10275.94	4458.89	34502.71
5401-06-01A	Lease	Koch Acquisitions/Ariel Optics	N		Manufacturing	428400	340000	0			N	02/13/2006	Y	03/29/2006	2017	0.00	0.00	3231.36	1218.76	8951.96
5401-07-05A	Lease	Legendary Auto	N		Manufacturing	1800000	1800000	0			N	04/16/2009	Y	06/01/2009	2020	0.00	0.00	7544.38	15887.19	21025.63
5401-11-02A	Lease	Lyons Logistics, LLC	N		Manufacturing	1641500	1250000	0			N	6/3/2011	Y	10/10/2011	2022	0.00	0.00	0.00	0.00	58404.66
5401-04-01A	Lease	Maco Bag/Miller Holding	N		Manufacturing	1555000	1525000	0			N	07/28/2004	Y	10/01/2004	2015	0.00	0.00	6601.33	13901.29	18397.43
5401-08-03A	Lease	Marshall Farms - Pet Products	N		Agriculture, Forestry and Fishing	696000	675000	0			N	10/24/2008	Y	11/01/2008	2019	0.00	0.00	6213.25	4382.57	12716.11
5401-08-06A	Lease	Marshall Farms Group	N		Agriculture, Forestry and Fishing	2021000	2000000	0			N	11/21/2008	Y	06/01/2009	2020	0.00	0.00	3040.86	1395.74	6276.23
5401-10-03A	Lease	Marshall Ingredients	N		Agriculture, Forestry and Fishing	1950000	1880000	0			N	08/24/2010	Y	10/25/2010	2021	0.00	0.00	4312.16	3041.62	8825.32
5401-98-01A	Lease	Maxpro	N		Manufacturing	2500000	2336364	0			N	02/12/1998	Y	05/01/1998	2011	0.00	0.00	11314.30	4267.37	31344.41
5401-11-01A	Lease	MaxPro - 2	Y	5401-98-01A	Manufacturing	6212800	5656500	0			N	4/23/2011	Y	6/2/2011	2023	0.00	0.00	0.00	0.00	0.00
5401-01-01A	Lease	Micro Tech Machine	N		Manufacturing	654000	600000	0			N	05/16/2001	Y	09/28/2001	2012	0.00	0.00	5673.37	11947.17	15811.28
5401-10-02A	Lease	Midland Asphalt Materials, Inc.	N		Manufacturing	5967951	5847802	0			N	06/25/2010	Y	12/29/2010	2021	0.00	0.00	31107.95	101377.22	91240.83
5401-98-02A	Lease	Mobil Chemical	N		Manufacturing	8000000	7750000	0			N	08/28/1998	Y	02/01/1999	2019	0.00	0.00	59263.72	25715.47	199744.87
5401-12-04A	Lease	Murphy Co., Inc.	N		Manufacturing	550000	550000	0			N	8/24/2012	Y	9/26/2012	2023	14660.00	14660.00	8737.91	3791.52	29338.57
5401-12-02A	Lease	NMM Properties, LLC	N		Retail Trade	1904000	1840000	0			N	9/28/2012	Y	11/8/2012	2023	0.00	0.00	0.00	0.00	0.00
5401-06-05A	Lease	N. Development - Biodiesel	N		Manufacturing	915470	840000	0			N	07/24/2006	Y	10/11/2006	2022	0.00	0.00	3127.27	1179.50	8665.69
5401-99-02A	Lease	N. Development - Harbec	N		Manufacturing	1785000	1541000	0			N	05/10/1999	Y	11/01/1999	2020	0.00	0.00	9795.17	3694.40	27135.90
5401-12-01A	Lease	N. Development - Wind	N		Other Categories	0	0	1000.00			N	2/24/2012	Y	2/24/2012	2021	0.00	0.00	0.00	0.00	2204.56
5401-04-03A	Lease	Palmyra Inn Investment, LLC	N		Services	3410000	3163100	0			N	10/18/2004	Y	02/23/2005	2015	0.00	0.00	6887.10	4280.91	23831.99
5401-06-04A	Lease	Parkwood Heights - Cottages	N		Services	3098957	2836457	0			N	05/10/2006	Y	06/01/2006	2017	0.00	0.00	17273.66	7495.31	57998.37
5401-04-04A	Lease	Photon Gear, Inc.	N		Manufacturing	461720	441150	0			N	11/12/2004	Y	01/03/2006	2016	0.00	0.00	3547.41	1337.96	9827.52
5401-10-01A	Lease	Pomona Packing, LLC	N		Agriculture, Forestry and Fishing	6689900	6315000	0			N	04/30/2010	Y	02/24/2011	2021	0.00	0.00	6426.46	11082.37	13154.60
ED93227901A	Bonds/Note	Sensca Foods Corp	N		Manufacturing	8000000	5060000	5060000		Tax Exempt	Y	10/26/1981	Y	06/01/1992	2017	0.00	0.00	28544.78	18836.67	84448.89
5401-06-03A	Lease	Silver Hill - FLCC	N		Other Categories	750000	700000	0			Y	05/01/2006	Y	08/04/2006	2022	0.00	0.00	5142.25	10828.71	14331.07
5401-03-02A	Lease	Spoon Exhibit Services	N		Manufacturing	2450500	2095000	0			N	10/07/2003	Y	11/14/2003	2013	0.00	0.00	18250.48	7919.17	89048.91
5401-98-06A	Lease	The Guild (Permar)	N		Manufacturing	989000	949000	0			N	10/27/1998	Y	03/01/1999	2020	0.00	0.00	10881.99	16765.88	22274.81
5401-07-04A	Lease	Upstate Refractory Services	N		Manufacturing	1100000	1080000	0			N	05/17/2007	Y	10/29/2007	2019	0.00	0.00	7544.38	15887.19	21025.63
ED93227801A	Bonds/Note	Wayne Hostels Holding (ARC)	N		Civic Facility	3990000	3850000	1518334		Tax Exempt	Y	01/22/1993	Y	03/30/1993	2018	0.00	0.00	0.00	0.00	0.00
5401-06-02A	Lease	Wayne Industrial Sustainability	N		Other Categories	481400	481400	0			Y	02/22/2006	Y	02/22/2006	2011	0.00	0.00	3631.86	7648.09	10121.74
5401-08-05A/B	Lease	Weslor Enterprises	N		Manufacturing	1500000	1500000	0			N	10/24/2008	Y	11/01/2008	2019	0.00	0.00	9697.79	9777.03	29535.29

Wayne County Industrial Development Agency  
Project Information  
December 31, 2012

Mortgage Recording Tax Exemption	Total Exemptions Net of RPTL Section 485-b Exemptions	Actual Payment Made			Payment Due Per Agreement			# of FTEs before IDA status	Original estimate of jobs to be created	Average estimated annual salary of jobs to be created (at current market rate)	Annualized salary range of jobs to be created. FROM	Annualized salary range of jobs to be created. TO	Original estimate of jobs to be retained	Estimated average annual salary of jobs to be retained (at current market rate)	Current # of FTEs	# of FTE construction jobs during the fiscal year
		County PILOT	Local PILOT	School District PILOT	County PILOT	Local PILOT	School District PILOT									
0.00	16334.38	4472.03	2951.08	13230.36	4472.03	2951.08	13230.36	38	32	41875	33500	50250	0	0	59	0
9067.50	18747.10	0.00	0.00	0.00	0.00	0.00	0.00	20	10	30000	20000	50000	0	0	15	3
0.00	11059.57	1633.45	708.78	6537.00	5842.12	2534.99	23221.68	5	4	37500	30000	45000	0	0	3	0
0.00	11288.47	13244.25	6079.03	28494.24	16194.74	7433.30	33425.35	85	20	25000	20000	30000	0	0	109	0
0.00	28309.56	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0	0	0
0.00	4206.32	3566.37	1547.50	11974.51	3566.37	1547.50	11974.51	11	5	30000	24000	36000	0	0	12	0
0.00	47496.70	10222.85	3855.71	28320.72	10222.85	3855.71	28320.72	65	8	55125	45000	65000	0	0	73	0
0.00	41934.86	220.68	101.29	455.47	220.68	101.29	455.47	25	15	15933	14440	104000	0	0	38	0
0.00	14487.32	8544.56	3222.72	0.00	8544.56	3222.72	0.00	0	75	28364	20000	35000	0	0	0	0
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	99	69	34493	25000	40000	0	0	65	0
0.00	160585.57	37127.84	17818.20	105433.73	37127.84	17818.20	105433.73	548	0	0	0	0	548	50730	590	0
0.00	26167.51	3308.96	6968.65	9221.84	3308.96	6968.65	9221.84	23	4	20000	16000	24000	0	0	0	0
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	50	5	40000	32000	48000	0	0	50	0
0.00	44455.82	9277.99	4025.87	31151.97	9277.99	4025.87	31151.97	50	25	29960	20000	36000	0	0	33	0
0.00	18996.67	257.15	259.26	783.18	257.15	259.26	783.18	24	8	31200	25000	37500	0	0	11	0
0.00	130537.35	0.00	0.00	96588.65	0.00	0.00	96588.65	20	7	16343	13000	20000	0	0	0	0
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	25	0	0	0	0	0	0	25	0
0.00	38409.66	4887.92	2120.94	16411.77	4887.92	2120.94	16411.77	17	3	66667	62500	75000	0	0	31	0
0.00	3350.52	528.00	199.14	5207.35	528.00	199.14	5207.35	3	5	16625	12000	20000	0	0	5	0
0.00	17782.88	1827.25	3847.88	5092.41	1827.25	3847.88	5092.41	60	10	39500	31500	47500	0	0	58	0
0.00	58404.66	0.00	0.00	23230.01	0.00	0.00	23230.01	0	70	41500	35000	250000	0	0	65	0
0.00	27442.28	3334.61	7024.77	9293.33	3334.61	7024.77	9293.33	0	175	32000	25000	38400	0	0	135	0
0.00	8159.18	4420.80	5.32	9047.65	4420.80	5.32	9047.65	19	2	55556	42500	70000	0	0	30	0
0.00	5807.93	322.11	148.03	681.00	322.11	148.03	681.00	206	6	33333	25000	40000	0	0	193	0
0.00	11325.17	418.69	295.33	856.90	418.69	295.33	856.90	26	14	32143	30000	37500	0	0	0	0
0.00	28537.36	8316.39	3136.66	34081.83	8316.39	3136.66	34081.83	47	79	32803	25000	40000	0	0	0	0
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	141	39	51000	32000	65000	0	0	197	0
0.00	33431.81	3863.64	8136.15	15811.28	3863.64	8136.15	15811.28	32	10	33000	26500	40000	0	0	52	0
0.00	223726.00	28255.20	92080.44	82873.60	28255.20	92080.44	82873.60	13	7	49886	45000	51000	0	0	20	0
0.00	284724.06	39672.83	17214.67	133206.32	39672.83	17214.67	133206.32	100	193	23316	17500	28000	0	0	89	0
0.00	71187.99	8737.91	3791.52	29338.57	8737.91	3791.52	29338.57	15	20	50000	35000	65000	0	0	22	12
20000.00	20000.00	0.00	0.00	0.00	0.00	0.00	0.00	54	55	18000	12500	21500	0	0	34	0
0.00	12973.03	3127.27	1179.50	0.00	3127.27	1179.50	8665.69	0	8	25000	20000	30000	0	0	0	0
0.00	40625.47	7909.45	2983.17	21911.83	7909.45	2983.17	21911.83	105	20	20500	16500	24500	0	0	138	0
0.00	2204.56	0.00	0.00	667.95	0.00	0.00	667.95	0	0	0.00	0.00	0.00	0	0	0	3
0.00	7948.68	6887.10	4280.91	23831.99	6887.10	4280.91	23831.99	0	11	15208	12500	18250	0	0	11	0
0.00	8276.73	2904.09	1260.13	33874.60	2904.09	1260.13	33874.60	0	22	0.00	0.00	0.00	0	0	45	0
0.00	4688.85	2037.71	768.55	5645.13	2037.71	768.55	5645.13	6	2	75000	60000	90000	0	0	10	0
0.00	30153.92	5973.89	10301.92	12228.22	5973.89	10301.92	12228.22	0	32	15560	13750	26170	0	0	29	0
0.00	131830.33	28544.78	18836.67	84448.89	28544.78	18836.67	84448.89	125	6	20000	16000	24000	0	0	62	0
0.00	30302.03	3071.22	6467.50	8559.29	3071.22	6467.50	8559.29	0	0	0	0	0	0	0	3	0
0.00	24894.85	12031.21	5220.53	47822.56	12031.21	5220.53	47822.56	0	49	43878	35000	55000	0	0	29	0
0.00	51922.68	8548.06	2396.51	17497.38	8548.06	2396.51	17497.38	73	68	28571	20000	35000	0	0	100	0
0.00	15560.02	283.67	597.36	790.56	283.67	597.36	790.56	18	5	30000	24000	36000	0	0	32	0
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	63	35	22464	15000	27000	0	0	92	0
0.00	21401.70	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0	0	0
0.00	17988.73	254.25	256.33	774.34	254.25	256.33	774.34	19	2	40000	32000	48000	0	0	19	0



**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**

To the Board of Directors  
Wayne County Industrial Development Agency  
Lyons, 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 Wayne County Industrial Development Agency as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise Wayne County Industrial Development Agency's basic financial statements, and have issued our report thereon dated March 22, 2013.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Wayne County Industrial Development Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Wayne County Industrial Development Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of Wayne County Industrial Development 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Wayne County Industrial Development 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*EFP Rotenberg, LLP*

EFP Rotenberg LLP  
Rochester, New York  
March 22, 2013