

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
FINANCIAL STATEMENTS
DECEMBER 31, 2013

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, 2013, 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, 2013, and the changes in its financial position and cash flows 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

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 schedules 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 schedules 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 basic 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 schedules 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 21, 2014, 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 21, 2014

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Management's Discussion and Analysis
For the Year Ended December 31, 2013

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, 2013. 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, 2013 by \$4,346,394. Of this amount, \$483,659 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 \$451,909 in unrestricted cash after a \$213,470 decrease in that balance due to cash used for operations.
- A decrease in loan demand together with regularly scheduled repayments resulted in a decrease of \$353,109 or 15.3% 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, 2013. 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, 2013 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 2013 and how it affects the cash balance at December 31, 2013.
- **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 \$4,346,394 and \$4,684,175 at December 31, 2013 and 2012 respectively.

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Management's Discussion and Analysis
For the Year Ended December 31, 2013

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 position follows:

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

	<u>2013</u>	<u>2012</u>	<u>Dollar</u> <u>Change</u>	<u>%</u> <u>Change</u>	<u>2011</u>	<u>Dollar</u> <u>Change</u>	<u>%</u> <u>Change</u>
Assets							
Cash and cash equivalents	\$ 451.9	\$ 665.4	\$ (213.5)	(32.1)	\$ 945.6	\$ (280.2)	(29.6)
Restricted cash	1,491.7	1,277.5	214.2	16.8	1,075.8	201.7	18.7
Loans receivable - net	1,958.6	2,311.7	(353.1)	(15.3)	2,708.7	(397.0)	(14.7)
Property and equipment - net	433.0	435.6	(2.6)	(0.6)	429.3	6.3	1.5
Other assets	27.2	33.9	(6.7)	(19.8)	29.2	4.7	16.1
Total assets	<u>4,362.4</u>	<u>4,724.1</u>	<u>(361.7)</u>	<u>(7.7)</u>	<u>5,188.6</u>	<u>(464.5)</u>	<u>(9.0)</u>
Liabilities							
Line of credit	-	-	-	-	247.4	(247.4)	(100.0)
Accounts payable	16.0	9.9	6.1	61.6	70.0	(60.1)	(85.9)
Contract advances	-	30.0	(30.0)	(100.0)	15.0	15.0	100.0
Total liabilities	<u>16.0</u>	<u>39.9</u>	<u>(23.9)</u>	<u>(59.9)</u>	<u>332.4</u>	<u>(292.5)</u>	<u>(88.0)</u>
Net Position							
Net investment in capital assets	433.0	412.0	21.0	5.1	405.6	6.4	1.6
Net position - restricted	3,429.7	3,600.7	(171.0)	(4.7)	3,546.9	53.8	1.5
Net position - unrestricted	483.7	671.5	(187.8)	(28.0)	903.7	(232.2)	(25.7)
Total net position	<u>\$ 4,346.4</u>	<u>\$ 4,684.2</u>	<u>\$ (337.8)</u>	<u>(7.2)</u>	<u>\$ 4,856.2</u>	<u>\$ (172.0)</u>	<u>(3.5)</u>

Significant changes in the statement of net position from 2012 to 2013 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 regularly scheduled repayments received during the year.
- The Agency's line of credit had a zero balance at year end 2012 and 2013.
- Accounts payable in 2011 includes an amount to be paid to a recipient of a Small Business Administration Grant.
- Contract advances was invested during the year according to the terms of an existing Payment-in-Lieu-of-Taxes Incremental Financing Agreement.
- 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, 2013 and 2012, based on management's evaluation, the loan loss reserve was adequate to cover projected loan losses.

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Management's Discussion and Analysis
For the Year Ended December 31, 2013

A condensed version of the Agency's statements of activities follows:

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

	<u>2013</u>	<u>2012</u>	<u>Dollar Change</u>	<u>% Change</u>	<u>2011</u>	<u>Dollar Change</u>	<u>% Change</u>
Revenues							
Contractual services and grants	\$ 415.2	\$ 560.1	\$ (144.9)	(25.9)	\$ 539.1	\$ 21.0	3.9
Agency fees	37.9	35.7	2.2	6.2	151.2	(115.5)	(76.4)
Interest - banks	1.9	3.9	(2.0)	(51.3)	5.6	(1.7)	(30.4)
Interest - loans	70.8	97.9	(27.1)	(27.7)	97.0	0.9	0.9
Other income	35.5	5.6	29.9	533.9	17.0	(11.4)	(67.1)
Total revenues	<u>561.3</u>	<u>703.2</u>	<u>(141.9)</u>	<u>(20.2)</u>	<u>809.9</u>	<u>(106.7)</u>	<u>(13.2)</u>
Expenses							
Personnel	317.3	342.5	(25.2)	(7.4)	345.8	(3.3)	(1.0)
Program expense	46.2	93.5	(47.3)	(50.6)	7.1	86.4	1,216.9
Contractual services	336.6	366.3	(29.7)	(8.1)	114.8	251.5	219.1
Administrative and technical assistance	8.3	1.9	6.4	336.8	6.0	(4.1)	(68.3)
Loan loss	13.2	41.3	(28.1)	(68.0)	61.3	(20.0)	(32.6)
Other expense	177.5	29.7	147.8	497.6	(7.0)	36.7	524.3
Total expenses	<u>899.1</u>	<u>875.2</u>	<u>23.9</u>	<u>2.7</u>	<u>528.0</u>	<u>347.2</u>	<u>65.8</u>
Change in Net Position	(337.8)	(172.0)	(165.8)	(96.4)	281.9	(453.9)	(161.0)
Net Position - Beginning	<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>
Net Position - Ending	<u>\$ 4,346.4</u>	<u>\$ 4,684.2</u>	<u>\$ (337.8)</u>	<u>(7.2)</u>	<u>\$4,856.2</u>	<u>\$ (172.0)</u>	<u>(3.5)</u>

Significant changes in the statement of revenues and expenses from 2012 to 2013 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 2013 and 2012. The County has also appropriated funding to the Agency for business retention and attraction projects in the amount of \$147,950 for 2013 and \$292,600 for 2012, a reduction of \$144,903 or 25.9%.
- Overall, revenues decreased primarily due to the decrease in the County's business retention and attraction funding due to fewer projects assisted during 2013. Reduction in interest income as a result of a decrease in outstanding loans was offset by an increase in other income as payment in lieu of taxes incremental financing income was recognized.
- Personnel costs decreased due to the full year's effect of the reduction in staff that occurred in August 2012.

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Management's Discussion and Analysis
For the Year Ended December 31, 2013

- Program expenses in 2013 increased due to additional funding for infrastructure and capacity building during the year.
- Contractual expenses decreased reflecting cost savings initiatives implemented during the year.
- 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 grant 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>2013</u>	<u>2012</u>	<u>2011</u>
Cash Flows from Operating Activities			
Receipts from providing services	\$ 405.3	\$ 491.9	\$ 605.6
Payments to suppliers	(523.2)	(464.6)	(51.9)
Payments to employees	(317.3)	(342.5)	(345.9)
Other operating revenue	220.9	41.3	158.2
Net cash provided by operating activities	<u>(214.3)</u>	<u>(273.9)</u>	<u>366.0</u>
Cash Flows from Investing Activities			
Investment income	1.1	2.1	3.1
Certificates of deposit	77.9	113.3	(1.6)
Property and equipment additions	-	(8.3)	-
Net cash provided by investing activities	<u>79.0</u>	<u>107.1</u>	<u>1.5</u>
Net Change in Cash and Cash Equivalents	(135.3)	(166.8)	367.5
Cash and Cash Equivalents - Beginning	<u>509.9</u>	<u>676.7</u>	<u>309.2</u>
Cash and Cash Equivalents - Ending	<u>\$ 374.6</u>	<u>\$ 509.9</u>	<u>\$ 676.7</u>

Significant changes in the statement of cash flows include:

- Receipts from providing services decreased due to reduction in business retention and attraction funding.
- Payments to suppliers increased as a result of increased expenses for site readiness projects.
- Other operating revenue increased primarily to payment in lieu of taxes increment financing income and a cash transfer from the non-operating fund.
- 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, 2013

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 one company with a total of \$5,060,000 in bonds outstanding at the end of 2013. 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. Business owners' confidence in the economy appears to be increasing as discussions about new projects and Agency assistance has been increasing.

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, 9 Pearl Street, Lyons, New York 14489 - Attention: Executive Director.

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Statement of Net Position
December 31, 2013

	<u>Operating Fund</u>	<u>Non- Operating Revolving Loan Funds</u>	<u>Total All Funds</u>
ASSETS			
Assets			
Cash and cash equivalents	\$ 374,655	\$ -	\$ 374,655
Certificate of deposits	77,254	-	77,254
Restricted cash	-	1,463,182	1,463,182
Restricted certificate of deposit	28,486	-	28,486
Prepaid expenses	18,276	-	18,276
Due from other governments	-	1,000	1,000
Loans receivable - net of allowance for loan losses	-	1,958,583	1,958,583
Interest receivable	-	8,015	8,015
Property and equipment - net	<u>409,312</u>	<u>23,668</u>	<u>432,980</u>
Total Assets	<u>\$ 907,983</u>	<u>\$ 3,454,448</u>	<u>\$ 4,362,431</u>
LIABILITIES AND NET POSITION			
Liabilities			
Accounts payable	\$ 6,662	\$ -	\$ 6,662
Grants payable	<u>8,350</u>	<u>1,025</u>	<u>9,375</u>
Total liabilities	<u>15,012</u>	<u>1,025</u>	<u>16,037</u>
Net Position			
Net investment in capital assets	409,312	23,668	432,980
Restricted for revolving funds	-	3,429,755	3,429,755
Unrestricted	<u>483,659</u>	<u>-</u>	<u>483,659</u>
Total net position	<u>892,971</u>	<u>3,453,423</u>	<u>4,346,394</u>
Total Liabilities and Net Position	<u>\$ 907,983</u>	<u>\$ 3,454,448</u>	<u>\$ 4,362,431</u>

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

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2013

	<u>Operating Fund</u>	<u>Non- Operating Revolving Loan Funds</u>	<u>Total All Funds</u>
Revenues			
Contractual services and grants	\$ 405,350	\$ -	\$ 405,350
Agency and administrative fees	37,924	-	37,924
Interest - loans	-	70,759	70,759
Interest - banks	1,075	841	1,916
Other revenue	32,948	2,618	35,566
In-kind income	<u>9,818</u>	<u>-</u>	<u>9,818</u>
Total revenues	<u>487,115</u>	<u>74,218</u>	<u>561,333</u>
Expenses			
Program expense	46,188	-	46,188
Contractual services	336,600	-	336,600
Salaries	219,233	-	219,233
Employee benefits	98,083	-	98,083
Administrative and technical assistance	-	8,295	8,295
Depreciation	2,672	-	2,672
Occupancy	9,818	-	9,818
Loan loss	-	13,225	13,225
Project expense	<u>115,000</u>	<u>50,000</u>	<u>165,000</u>
Total expenses	<u>827,594</u>	<u>71,520</u>	<u>899,114</u>
Interfund Transfers	150,000	(150,000)	-
Change in Net Position	(190,479)	(147,302)	(337,781)
Net Position - Beginning	<u>1,083,450</u>	<u>3,600,725</u>	<u>4,684,175</u>
Net Position - Ending	<u>\$ 892,971</u>	<u>\$ 3,453,423</u>	<u>\$ 4,346,394</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, 2013

	Operating Fund	Non- Operating Revolving Loan Funds	Total All Funds
Cash Flows from Operating Activities			
Receipts from providing services	\$ 405,350	\$ -	\$ 405,350
Payments to suppliers for goods and services	(523,266)	(57,270)	(580,536)
Payments to employees	(317,316)	-	(317,316)
Other operating revenue	220,872	(147,382)	73,490
Net cash flows from operating activities	<u>(214,360)</u>	<u>(204,652)</u>	<u>(419,012)</u>
Cash Flows from Investing Activities			
Certificates of deposit	77,942	-	77,942
Investment income	1,075	841	1,916
Loan interest received	-	77,951	77,951
Development loans repaid	-	353,109	353,109
Loan loss	-	(13,225)	(13,225)
Net cash flows from investing activities	<u>79,017</u>	<u>418,676</u>	<u>497,693</u>
Net Change in Cash and Cash Equivalents	(135,343)	214,024	78,681
Cash and Cash Equivalents - Beginning	<u>509,998</u>	<u>1,249,158</u>	<u>1,759,156</u>
Cash and Cash Equivalents - Ending	<u>\$ 374,655</u>	<u>\$ 1,463,182</u>	<u>\$ 1,837,837</u>
Reconciliation of Change in Net Position to Net Cash Flows from Operating Activities			
Change in net position	\$ (190,479)	\$ (147,302)	\$ (337,781)
Adjustments			
Depreciation	2,672	-	2,672
Investment income	(1,075)	(841)	(1,916)
Loan interest income	-	(70,759)	(70,759)
Loan loss	-	13,225	13,225
Change in assets and liabilities			
Prepaid expenses	(545)	-	(545)
Accounts payable	5,067	1,025	6,092
Contract advances	<u>(30,000)</u>	<u>-</u>	<u>(30,000)</u>
Net Cash Flows from Operating Activities	<u>\$ (214,360)</u>	<u>\$ (204,652)</u>	<u>\$ (419,012)</u>

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

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies and Nature of Organization

Nature of Organization - Wayne County Industrial Development Agency (WCIDA) of Lyons, New York is a nonprofit 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 - The Agency complies with 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 - The Agency complies with 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 in 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 federal or state laws or external organizations. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets. At December 31, 2013 and 2012, the Agency had \$3,429,755 and \$3,577,057 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

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.

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 \$2,672 for the year ended December 31, 2013.

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.

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

Note 2. Deposit and Investments

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 through the following: 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, 2013, WCIDA had certificates of deposit held at banks as follows:

Unrestricted

A six month certificate of deposit at Savannah Bank with interest at .25% maturing on April 20, 2014. \$ 77,254

Restricted

A twelve month certificate of deposit at Lyons National Bank with interest at .75% maturing on February 19, 2015. Use of funds is restricted to unemployment insurance claims. \$ 28,486

The certificates of deposit are fully collateralized as of December 31, 2013.

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, 2013 excluding certificates of deposit are as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Demand and savings deposits	\$ <u>1,837,837</u>	\$ <u>1,843,408</u>
Covered by FDIC insurance		\$ 692,734
Pledged collateral		<u>1,150,674</u>
Total deposits		\$ <u>1,843,408</u>

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

Note 3. 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 2013 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 \$147,950 during the year ended December 31, 2013.

At December 31, 2013, no outstanding amounts were owed by the County.

Agency Fees - Agency fees, resulting from the establishment of PILOT agreements, amounted to \$30,514 for the year ended December 31, 2013.

Related Entities - The Agency is related through common management and Board of Directors membership with Wayne Economic Development Corporation (WEDC), Wayne Industrial Sustainability Development Corporation (WISDC) and Wayne County Civic Facility Development Corporation (WCFDC), which also promote economic development in the County. In 2013 and 2012, the Agency contributed \$50,000 to the WEDC, which is shown as project expense in the accompanying statement of revenues, expenses, and change in net position.

See Note 10 for additional related party transaction.

Note 4. 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, 2013 were \$2,099,022. The loans have an associated allowance for loan losses of \$140,439 resulting in net loans receivable of \$1,958,583.

At December 31, 2013, total interest receivable due on revolving loans amounted to \$8,015. In addition, at December 31, 2013, total loans included in the revolving loan funds on a non-accrual status amounted to approximately \$116,572. Interest on these loans is recorded when paid to WCIDA. At December 31, 2013 interest not received or recorded amounted to \$22,775.

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

Note 5. Property and Equipment

Property and equipment consists of the following at December 31, 2013:

Operating Fund

Land	\$ 400,238
Equipment	19,542
Sub-total	419,780
Less - accumulated depreciation	(10,468)
Property and equipment - net	\$ 409,312

Small Cities Loan Fund

Land	\$ 23,668
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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 6. 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, 2013. At December 31, 2013, 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, 2013, 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 7. 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 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	\$ <u>5,060,000</u>

Note 8. 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 46 organizations participated in the PILOT's program and \$1,690,423 in payments were administered by WCIDA for the year ended December 31, 2013. The PILOT payments are not recorded on the financial statements.

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

Note 9. 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 \$9,818 have been recorded as rent expense and a corresponding amount is included in revenue as in-kind income.

Note 10. 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. Tier V and VI employees 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:

2013	\$	51,604
2012	\$	49,831
2011	\$	39,619

The ERS plan year ends March 31st. The required contribution noted above for 2013 is for the plan year ending March 31, 2014. The contribution was paid before December 31, 2013, resulting in a prepaid expense of \$12,901 at December 31, 2013.

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

Note 11. Budget Comparison

The following is a comparison of budgeted expenditures to actual expenditures for the year ended December 31, 2013:

	<u>Budget</u>	<u>Actual</u>	<u>Difference</u>
Program/contractual services/other	\$ 195,200	\$ 497,788	\$ (302,588)
Salaries	225,000	219,233	5,767
Employee benefits	104,225	98,083	6,142
Depreciation	300	2,672	(2,372)
Occupancy	<u>10,000</u>	<u>9,818</u>	<u>182</u>
Total	<u>\$ 534,725</u>	<u>\$ 827,594</u>	<u>\$ (292,869)</u>

The major variance to the budget during 2013 was in the area of program and contractual expenses in the amount of \$302,588. This was due primarily to more than anticipated funding of infrastructure and capacity building projects during the year. Employee benefits and salaries were lower than planned due to an employee leaving during the year.

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Supplemental Schedule of Revolving Loan Funds
Combining Statements of Net Position
December 31, 2013

	<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>
ASSETS							
Assets							
Restricted cash	\$ 495,421	\$ 132,716	\$ 112,956	\$ 222,406	\$ 391,425	\$ 108,258	\$ 1,463,182
Due from other governments	-	-	-	1,000	-	-	1,000
Loans receivable - net of allowance for loan losses	1,678,885	57,231	63,390	-	108,126	50,951	1,958,583
Interest receivable	6,066	321	699	-	768	161	8,015
Property and equipment - net	<u>-</u>	<u>-</u>	<u>23,668</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,668</u>
Total Assets	<u>\$ 2,180,372</u>	<u>\$ 190,268</u>	<u>\$ 200,713</u>	<u>\$ 223,406</u>	<u>\$ 500,319</u>	<u>\$ 159,370</u>	<u>\$ 3,454,448</u>
LIABILITIES AND NET POSITION							
Liabilities							
Accounts payable	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>50</u>	\$ <u>975</u>	\$ <u>1,025</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50</u>	<u>975</u>	<u>1,025</u>
Net Position							
Restricted revolving funds	-	-	23,668	-	-	-	23,668
Restricted revolving funds	<u>2,180,372</u>	<u>190,268</u>	<u>177,045</u>	<u>223,406</u>	<u>500,269</u>	<u>158,395</u>	<u>3,429,755</u>
Total net position	<u>2,180,372</u>	<u>190,268</u>	<u>200,713</u>	<u>223,406</u>	<u>500,269</u>	<u>158,395</u>	<u>3,453,423</u>
Total Liabilities and Net Position	<u>\$ 2,180,372</u>	<u>\$ 190,268</u>	<u>\$ 200,713</u>	<u>\$ 223,406</u>	<u>\$ 500,319</u>	<u>\$ 159,370</u>	<u>\$ 3,454,448</u>

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Supplemental Schedule of Revolving Loan Funds
Combining Statements of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2013

	<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>
Revenues							
Interest - loans	\$ 61,402	\$ 90	\$ 3,787	\$ -	\$ 3,455	\$ 2,025	\$ 70,759
Interest - banks	310	120	62	112	173	64	841
Miscellaneous income	<u>-</u>	<u>375</u>	<u>733</u>	<u>-</u>	<u>80</u>	<u>1,430</u>	<u>2,618</u>
Total revenues	<u>61,712</u>	<u>585</u>	<u>4,582</u>	<u>112</u>	<u>3,708</u>	<u>3,519</u>	<u>74,218</u>
Expenses							
Administrative and technical assistance	25	250	1,795	-	625	5,600	8,295
Loan loss	13,225	-	-	-	-	-	13,225
Project expense	<u>-</u>	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
Total expenses	<u>13,250</u>	<u>50,250</u>	<u>1,795</u>	<u>-</u>	<u>625</u>	<u>5,600</u>	<u>71,520</u>
Interfund Transfers	<u>(150,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(150,000)</u>
Change in Net Position	(101,538)	(49,665)	2,787	112	3,083	(2,081)	(147,302)
Net Position - Beginning	<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>
Net Position - Ending	<u>\$ 2,180,372</u>	<u>\$ 190,268</u>	<u>\$ 200,713</u>	<u>\$ 223,406</u>	<u>\$ 500,269</u>	<u>\$ 158,395</u>	<u>\$ 3,453,423</u>

**Wayne County Industrial Development Agency
Project Information
December 31, 2013**

* Project Code	* 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 to the property?	Date IDA Took Title or Leasehold Interest in Property	* Year Financial Assistance is Planned to End	Notes	* State Sales Tax Exemption	* Local Sales Tax Exemption (Sum of City/Town/Village)
5401-02-03A	Acadia Polymers Corp	N		Manufacturing	1277000	750000	0		N	N	08/21/2002	Y	02/17/2004	2014	Construction and equipping 9,000 sq.ft. addition to existing facility	0.00	0.00
5401-12-02A	AEY Development, LLC	N		Finance, Insurance and	707000	667000	0		N	N	03/23/2012	Y	04/04/2012	2023	Construction and Equipping 10,000 sq. ft. facility	0.00	0.00
5401-07-03A/B	Bella Design	N		Manufacturing	568132	540000	0		N	N	04/27/2007	Y	08/01/2007	2018	Construction and equipping 8,200 sq.ft. facility	0.00	0.00
5401-02-04A	Cahoon Farms Leasing	N		Manufacturing	2443200	1677040	0		N	N	10/28/2002	Y	02/22/2003	2014	Construction and equipping of 15,000 sq.ft. addition to existing facility	0.00	0.00
5401-08-01A	CIDC	N		Other Categories	417500	417500	0		N	N	02/22/2008	Y	02/01/2008	2018	Acquisition of approximately 20 parcels of property constituting in aggregate less than 100 acres.	0.00	0.00
5401-04-02A	CL Enterprises LLC	N		Manufacturing	220000	206000	0		N	N	09/01/2004	Y	02/27/2006	2016	Construction and equipping of 9,600 sq.ft. addition to existing facility	0.00	0.00
5401-05-01A	DJ Property Management	N		Manufacturing	6650000	6300000	0		N	N	10/28/2005	Y	11/17/2005	2016	Acquisition of 54,600 sq.ft. facility	0.00	0.00
5401-10-04A	Empire Fruit Growers Cooperative	N		Agriculture, Forestry and	5722500	5580000	0		N	N	09/24/2010	Y	01/11/2011	2021	Construction and equipping 70,000 sq.ft. facility	0.00	0.00
5401-05-03A	Garlock Sealing Technologies	N		Manufacturing	37000000	37000000	0		N	N	12/28/2005	Y	03/27/2006	2025	Acquisition of existing facility and construction and equipping 170,000 sq.ft. addition	0.00	0.00
5401-00-02A	Halstead Machine	N		Manufacturing	550000	427000	0		N	N	07/31/2000	Y	11/28/2000	2014	Construction and equipping 12,800 sq.ft. facility and 7,500 sq. ft. addition	0.00	0.00
5401-07-06A	Halstead Machine - 2	Y	5401-00-02A	Manufacturing	291000	279500	0		N	N	10/22/2007	Y	10/22/2007	2019	Construction and equipping a 3,500 sq.ft. addition to existing facility	0.00	0.00
5401-00-01A	Information packaging Corp.	N		Manufacturing	1400400	1300000	0		N	N	06/30/2000	Y	12/27/2000	2015	Construction and equipping 21,918 sq.ft. addition to existing facility	0.00	0.00
5401-08-04A/B	JAMKO	N		Manufacturing	1230000	1200000	0		N	N	10/24/2008	Y	11/01/2008	2019	Construction, and equipping of 17,000 sq.ft. warehouse, office and manufacturing facility	0.00	0.00
5401-11-03A	K.M. Davies - 2	N		Agriculture, Forestry and	4476417	3846769	0		N	N	06/03/2011	Y	08/01/2011	2022	Construction, Renovation and equipping 37,368 sq.ft. facility	0.00	0.00
5401-10-05A	Kairos, LLC/Ankom 2	N		Manufacturing	702500	600000	0		N	N	09/25/2010	Y	12/15/2010	2021	Construction and equipping 8,000 sq.ft. addition to existing facility	0.00	0.00
5401-06-01A	Koch Acquisitions/Ariel Optics	N		Manufacturing	428400	340000	0		N	N	02/13/2006	Y	03/29/2006	2017	Construction and equipping 6,000 sq.ft. facility	0.00	0.00
5401-07-05A	Legendary Auto	N		Manufacturing	1800000	1800000	0		N	N	04/16/2009	Y	06/01/2009	2020	Construction and equipping 50,000 sq.ft. facility	0.00	0.00
5401-11-02A	Lyons Logistics, LLC	N		Manufacturing	1641500	1250000	0		N	N	06/03/2011	Y	10/10/2011	2022	Acquisition, renovation and equipping of 131,610 sq. ft. facility	0.00	0.00
5401-04-01A	Maco Bag/Miller Holding	N		Manufacturing	1555000	1525000	0		N	N	07/28/2004	Y	10/01/2004	2015	Acquisition, renovation and equipping of 246,000 sq.ft. facility	0.00	0.00
5401-08--03A	Marshall Farms - Pet Products	N		Agriculture, Forestry and	696000	675000	0		N	N	10/24/2008	Y	11/01/2008	2019	Construction, and equipping of 20,000 sq.ft. warehouse facility addition	0.00	0.00
5401-08-06A	Marshall Farms Group	N		Agriculture, Forestry and	2021000	2000000	0		N	N	11/21/2008	Y	06/01/2009	2020	Construction and equipping two 11,746 buildings at existing facility.	0.00	0.00
5401-10-03A	Marshall Ingredients	N		Agriculture, Forestry and	1950000	1880000	0		N	N	08/24/2010	Y	10/25/2010	2021	Construction and equipping of 27,000 sq.ft. facility	0.00	0.00
5401-98-01A	Maxpro	N		Manufacturing	2500000	2336364	0		N	N	02/12/1998	Y	05/01/1998	2011	Construction and equipping of 15,000 sq.ft. and 12,500 sq.ft. facilities and 20,000 sq.ft. addition	0.00	0.00
5401-11-01A	MaxPro - 2	Y	5401-98-01A	Manufacturing	6212800	5656500	0		N	N	04/23/2011	Y	06/02/2011	2023	Construction and equipping of 20,000 sq.ft. building addition.	0.00	0.00
5401-01-01A	Micro Tech Machine	N		Manufacturing	654000	600000	0		N	N	05/16/2001	Y	09/28/2001	2012	Construction and equipping 9,000 sq.ft. addition to existing facility	0.00	0.00
5401-10-02A	Midland Asphalt Materials, Inc.	N		Manufacturing	5967951	5908852	0		N	N	06/25/2010	Y	12/29/2010	2021	Construction and equipping processing and storage improvements at existing facility	0.00	0.00
5401-98-02A	Mobil Chemical	N		Manufacturing	8000000	5750000	0		N	N	08/28/1998	Y	02/01/1999	2019	Construction, renovation and equipping of 203,625 sq.ft. facility	0.00	0.00
5401-12-03A	Murphy/Dau	N		Manufacturing	550000	550000	0		N	N	08/24/2012	Y	09/26/2012	2023	Addition of 20,000 sq.ft. to 40,000 sq.ft. facility.	0.00	0.00
5401-06-05A	N. Development - Biodiesel	N		Manufacturing	915470	840000	0		N	N	07/24/2006	Y	10/11/2006	2022	Construction and equipping of 20,000 sq.ft. facility	0.00	0.00
5401-99-02A	N. Development - Harbec	N		Manufacturing	1785000	1541000	0		N	N	05/10/1999	Y	11/01/1999	2020	Construction and equipping 17,000 sq. ft. addition to existing facility	0.00	0.00
5401-12-04A	NMM Properties, LLC	N		Retail Trade	1904000	1840000	0		N	N	09/28/2012	Y	11/08/2012	2023	Acquisition and improvement of 73.278 sq. ft. retail space.	6350.02	6350.02
5401-12-01A	Northern Development - Wind	N		Other Categories	0	0	1000		N	N	02/24/2012	Y	02/24/2012	2021	Lease of property for wind turbine project.	0.00	0.00
5401-13-03A	Optipro Systems, LLC	N		Manufacturing	500000	475000	0		N	N	9/27/2013	Y	10/25/2013	2024	Construction and equipping 10,000 sq.ft. addition to existing facility	10014.00	10014.00
5401-04-03A	Palmyra Inn Investment, LLC	N		Services	3400000	318300	0		N	N	10/18/2004	Y	02/23/2005	2015	Construction and equipping 40,000 sq.ft. facility	0.00	0.00
5401-13-02A	Palmyra Properties, LLC	N		Retail Trade	893000	850000	0		N	N	8/7/2013	Y	8/7/2013	2025	Construction, reconstruction 3,000 sq.ft. facility	14152.31	14152.31
5401-06-04A	Parkwood Heights - Cottages	N		Services	3098957	2836457	0		N	N	05/10/2006	Y	06/01/2006	2017	Construction and equipping 10 buildings for senior living apartments	0.00	0.00
5401-04-04A	Photon Gear, nc.	N		Manufacturing	461720	441150	0		N	N	11/12/2004	Y	01/03/2006	2016	Construction and equipping of 5,400 sq.ft. facility	0.00	0.00
5401-10-01A	Pomona Packing, LLC	N		Agriculture, Forestry and	6689900	5315000	0		N	N	04/30/2010	Y	02/24/2011	2021	Acquisition, renovation and equipping of 64,500 sq.ft. facility	0.00	0.00
ED9227901A	Seneca Foods Corp	N		Manufacturing	8000000	5060000	5060000		Tax E	N	10/26/1981	Y	06/01/1992	2017	Construction and equipping of three buildings totalling 131,600 sq.ft.	0.00	0.00
5401-06-03A	Silver Hill - FLCC	N		Other Categories	750000	700000	0		Y	Y	05/01/2006	Y	08/04/2006	2022	Renovation and equipping 24,500 sq.ft. facility for Community College	0.00	0.00
5401-03-02A	Spoon Exhibit Services	N		Manufacturing	2450500	2095000	0		N	N	10/07/2003	Y	11/14/2003	2013	Construction and equipping 66,000 sq.ft. facility	0.00	0.00
5401-98-06A	The Guild (Permar)	N		Manufacturing	989000	949000	0		N	N	10/27/1998	Y	03/01/1999	2020	Construction and equipping 23,000 sq.ft. and 35,000 sq.ft additions to existing facility	0.00	0.00
5401-07-04A	Upstate Refractory Services	N		Manufacturing	1100000	1080000	0		N	N	05/17/2007	Y	10/29/2007	2019	Construction and equipping of 21,000 sq.ft. facility	0.00	0.00
5401-13-01A	Wayne County Dialysis Properties, LLC	N		Services	2232600	2017700	0		N	N	1/11/2013	Y	3/8/2013	2025	Construction and equipping 7,500 sq.ft. facility.	28290.80	28290.80
ED9327801A	Wayne Hostels Holding (ARC)	N		Civic Facility	3990000	3850000	0		Tax E	Y	01/22/1993	Y	03/30/1993	2018	Construction and equipping of 31,872 sq.ft. facility	0.00	0.00
5401-06-02A	Wayne Industrial Sustainability	N		Other Categories	481400	481400	0		Y	Y	02/29/2012	Y	02/22/2006	2013	Acquisition and development of 64 Acre Industrial Park	0.00	0.00
5401-08-05A/B	Weslor Enterprises	N		Manufacturing	1500000	1500000	0		N	N	10/24/2008	Y	11/01/2008	2019	Construction, and equipping of 28,800 sq.ft. manufacturing facility	0.00	0.00

County Real Property Tax Exemption	Local Property Tax Exemption	School Property Tax Exemption	Mortgage Recording Tax Exemption	Total Exemptions Net of RPTL Section 485-b Exemptions	County PILOT	Local PILOT	School District PILOT	County PILOT	Local PILOT	School District PILOT	* # 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
5670.01	3686.26	16732.49	0.00	16742.71	4600.94	2951.08	13577.62	4600.94	2951.08	13577.62	38	32	41875	33500	50250	0	0	58	0
0.00	0.00	12108.11	0.00	7090.04	0.00	0.00	2984.34	0.00	0.00	2984.34	20	10	30000	20000	50000	0	0	15	3
6010.52	2528.40	23850.56	0.00	9716.84	1691.99	711.75	5000.00	1691.99	711.75	15123.32	5	4	37500	30000	45000	0	0	3	0
16663.20	7631.41	33235.39	0.00	11382.77	14204.94	6505.58	29266.11	14204.94	6505.58	29266.11	85	20	25000	20000	30000	0	0	105	0
3975.60	10894.92	13426.23	0.00	28296.75	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0	0	0
4515.84	1899.64	14829.95	0.00	3186.82	3669.17	1543.48	12049.50	3669.17	1543.48	12049.50	11	5	30000	24000	36000	0	0	12	0
16839.91	6315.85	44873.50	0.00	46319.62	10517.57	3944.64	27612.72	10517.57	3944.64	27612.72	65	8	55125	45000	65000	0	0	72	0
26939.44	12337.73	53731.76	0.00	37673.93	227.06	103.99	452.89	227.06	103.99	452.89	25	15	15933	14440	104000	0	0	48	0
37127.94	17818.20	105433.73	0.00	160379.87	37127.94	17818.20	105433.73	37127.94	17818.20	105433.73	548	0	0	0	548	50730	568	0	0
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	23	4	20000	16000	24000	0	0	0	0
4568.52	9383.06	12556.39	0.00	0.00	3404.27	6991.86	9356.50	3404.27	6991.86	9356.50	50	5	40000	32000	48000	0	0	51	0
9546.44	4015.40	31347.04	0.00	44907.88	9545.44	4015.40	31347.03	9545.44	4015.40	31347.03	50	25	29960	20000	36000	0	0	34	0
10600.52	10257.63	31850.32	0.00	16668.89	264.73	256.17	795.42	264.73	256.17	795.42	24	8	31200	25000	37500	0	0	10	0
85589.86	46767.17	269479.62	0.00	402836.66	31929.39	17245.06	142844.42	31929.39	17245.06	142844.42	25	0	0	0	0	0	0	27	0
10628.03	4470.81	34902.26	0.00	37911.01	5028.82	2115.43	16514.37	5028.82	2115.43	16514.37	17	3	66667	62500	75000	0	0	32	0
3324.52	1246.87	8858.90	0.00	2686.06	1933.87	203.74	5153.22	1933.87	203.74	5153.22	3	5	16625	12000	20000	0	0	4	0
7761.67	15941.31	21332.63	0.00	15762.47	1879.88	3860.99	5243.66	1879.88	3860.99	5243.66	60	10	39500	31500	47500	0	0	59	0
20486.54	64761.91	59316.87	0.00	144565.31	8148.36	25758.55	23592.83	8148.36	25758.55	23592.83	0	70	41500	35000	250000	0	0	75	0
6791.46	13948.65	18666.05	0.00	27134.55	3430.66	7046.69	9429.02	3430.66	7046.69	9429.02	0	175	32000	25000	38400	0	0	165	0
6391.90	4391.71	12643.85	0.00	7028.24	4547.91	3124.75	8996.23	4547.91	3124.75	8996.23	19	2	55556	42500	70000	0	0	34	0
3128.82	1432.94	6240.56	0.00	5433.04	339.49	155.48	693.94	339.49	155.48	693.94	206	6	33333	25000	40000	0	0	208	0
4436.15	3047.96	8775.16	0.00	11432.93	430.73	295.94	852.03	430.73	295.94	852.03	26	14	32143	30000	37500	0	0	0	0
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	47	79	32803	25000	40000	0	0	0	0
24057.01	9022.64	64105.01	0.00	78987.11	12657.09	3209.00	33727.51	12657.09	3209.00	33727.51	141	39	51000	32000	65000	0	0	204	0
5836.78	11987.87	16042.14	0.00	33866.78	5836.78	11320.53	16042.14	5836.78	11320.53	16042.14	32	10	33000	26500	40000	0	0	51	0
32004.45	101172.23	92665.89	0.00	225842.57	29379.90	92885.52	85066.76	29379.90	92885.52	85066.76	13	7	49886	45000	51000	0	0	23	0
60972.05	25648.52	200995.70	0.00	287616.38	40816.44	17169.92	134040.45	40816.44	17169.92	134040.45	100	193	23316	17500	28000	0	0	77	0
0.00	0.00	42264.99	0.00	35256.50	0.00	0.00	30966.80	0.00	0.00	30966.80	15	20	50000	35000	65000	0	0	33	0
3217.43	1206.71	8575.60	0.00	12999.73	3217.43	1206.71	8575.60	3217.43	1206.71	8575.60	0	8	25000	20000	30000	0	0	0	0
10077.56	3779.61	27134.73	0.00	40991.91	8137.48	3115.02	22350.07	8137.48	3051.98	21910.89	105	20	20500	16500	24500	0	0	138	0
0.00	0.00	91023.65	0.00	103723.68	0.00	0.00	39604.88	0.00	0.00	39604.88	54	55	18000	12500	21500	0	0	39	0
0.00	0.00	2204.56	0.00	2204.56	252.49	94.70	672.81	252.49	94.70	672.81	0	0	0	0	0	0	0	0	0
0.00	0.00	0.00	0.00	20028.00	0.00	0.00	0.00	0.00	0.00	0.00	61	6	83333	50000	90000	0	0	62	2
7047.11	4175.98	23776.91	0.00	35000.00	7047.11	4175.00	23776.91	7047.11	4175.00	23776.91	0	11	15208	12500	18250	0	0	12	0
0.00	0.00	0.00	0.00	28304.62	0.00	0.00	0.00	0.00	0.00	0.00	15	0	0.00	0.00	0.00	15	18000	32	30
17771.58	7475.83	58361.57	0.00	4180.45	10379.69	4366.34	34086.71	10379.69	4366.34	34086.71	0	22	17704	0	0	0	0	59	0
3649.68	1368.82	9725.35	0.00	4077.84	2096.45	786.28	5586.44	2096.45	786.28	5586.44	6	2	75000	60000	90000	0	0	11	0
6611.72	11396.91	13079.84	0.00	29838.28	6146.11	10594.31	12158.73	6146.11	10594.31	12158.73	0	32	15560	13750	26170	0	0	36	0
29367.64	19092.85	86665.42	0.00	135125.91	29367.64	19092.85	86665.42	29367.64	19092.85	86665.42	125	6	20000	16000	24000	0	0	61	0
5290.36	10865.60	14540.32	0.00	30695.28	3159.68	6489.54	4266.53	3159.68	6489.54	4266.53	0	0	0	0	0	0	0	3	0
23048.74	9695.73	91460.50	0.00	20682.01	12378.02	5206.96	49117.67	12378.02	5206.96	49117.67	0	49	43878	35000	55000	0	0	31	0
11195.69	18983.71	22148.23	0.00	52327.62	8794.48	14912.15	17397.96	8794.48	14912.15	17397.96	73	68	28571	20000	35000	0	0	95	0
7761.67	15941.31	21332.63	0.00	15762.47	291.84	599.39	11067.37	291.84	599.39	11067.37	18	5	30000	24000	36000	0	0	32	0
0.00	0.00	0.00	10500.00	67081.60	0.00	0.00	0.00	0.00	0.00	0.00	0	16	45000	40000	60000	0	0	15	63
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	63	35	22464	15000	27000	0	0	91	0
3736.47	7674.15	10269.53	0.00	21680.15	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0	0	0
9983.56	9660.62	29996.60	0.00	18220.21	261.74	253.27	786.43	261.74	253.27	786.43	19	2	40000	32000	48000	0	0	20	0



INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the 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, 2013, 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 21, 2014.

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 Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

EFP Rotenberg, LLP

EFP Rotenberg LLP
Rochester, New York
March 21, 2014