

**AUDITED
FINANCIAL STATEMENTS**

**WYOMING COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT OF WYOMING
COUNTY)**

DECEMBER 31, 2013

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Wyoming County Industrial Development Agency
Perry, New York 14530

Report on the Financial Statements

We have audited the accompanying financial statements of the Wyoming County Industrial Development Agency, (the Agency), a component unit of Wyoming County, New York, as of and for the years ended December 31, 2013 and 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 respective financial position of the business-type activities of the Agency, as of December 31, 2013 and 2012, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis and budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Supplemental 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 information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining Statements of Net Position, the Combining Statements of Revenues, Expenses and Changes in Net Position and the Combining Statements of Cash Flows are the responsibility of management and were derived from and relates 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 financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Statements of Net Position, the Combining Statements of Revenues, Expenses and Changes in Net Position and the Combining Statements of Cash Flows are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The Schedule of Industrial Revenue Bonds and Schedule of Lease Agreements with the Agency have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2014 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Fred Maxick CPAs, P.C.

Batavia, New York
March 26, 2014

**WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT OF WYOMING COUNTY)**

**STATEMENTS OF NET POSITION
DECEMBER 31,**

	<u>2013</u>	<u>2012</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 3,753,553	\$ 3,118,137
Accounts receivable	240	262,240
Accrued interest receivable	8,262	16,588
Wind farm receivable	501,008	150,634
Notes receivable	596,796	744,854
Total current assets	<u>4,859,859</u>	<u>4,292,453</u>
Property and equipment:		
Office equipment	9,005	8,955
Less: accumulated depreciation	<u>6,565</u>	<u>5,436</u>
Total property and equipment, net	<u>2,440</u>	<u>3,519</u>
Noncurrent assets:		
Investments - certificate of deposit	407,789	256,505
Wind farm receivable	1,051,122	150,634
Notes receivable, net	2,813,319	3,056,953
Land held for investment	<u>55,000</u>	<u>-</u>
Total noncurrent assets	<u>4,327,230</u>	<u>3,464,092</u>
Total assets	<u>9,189,529</u>	<u>7,760,064</u>
LIABILITIES		
Accounts payable and accrued liabilities	380	246,800
Unearned revenue	<u>113,837</u>	<u>113,837</u>
Total liabilities	<u>114,217</u>	<u>360,637</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - revolving loans	<u>499,113</u>	<u>588,334</u>
Total deferred inflows of resources	<u>499,113</u>	<u>588,334</u>
NET POSITION		
Net investment in capital assets	2,440	3,519
Restricted	149,866	149,866
Unrestricted	8,423,893	6,657,708
Total net position	<u>\$ 8,576,199</u>	<u>\$ 6,811,093</u>

See accompanying notes.

**WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT OF WYOMING COUNTY)**

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31,**

	<u>2013</u>	<u>2012</u>
Operating revenues:		
Fees and penalties	\$ 1,796,187	\$ 74,114
Grant revenue	89,221	1,161,958
Interest income on notes receivable	102,432	102,912
Rents	2,280	2,520
Recovery of bad debt	56,426	-
Miscellaneous	145	70
Total operating revenues	<u>2,046,691</u>	<u>1,341,574</u>
Operating expenses:		
Bad debt expense	84,931	172,829
Community investment	6,000	6,000
Conditional grant	-	2,912
Conferences and training	1,111	2,168
Depreciation	1,409	1,279
Grant expense	-	773,334
Insurance	4,735	2,780
Marketing	4,679	28,970
Meetings and dinners	263	261
Memberships and publications	3,722	3,815
Miscellaneous expenses	15	-
Office expense and printing	3,907	3,464
Professional fees	17,767	18,284
Professional services	1,371	1,370
Rail initiative project	4,404	170,577
Salaries and benefits	162,456	166,340
Subcontractors	3,913	2,525
Travel	3,552	5,408
Total operating expenses	<u>304,235</u>	<u>1,362,316</u>
Operating income (loss)	1,742,456	(20,742)
Nonoperating revenues:		
Interest income	22,650	20,809
Total nonoperating revenues	<u>22,650</u>	<u>20,809</u>
Change in net position	1,765,106	67
Net position - beginning of year	<u>6,811,093</u>	<u>6,811,026</u>
Net position - end of year	<u>\$ 8,576,199</u>	<u>\$ 6,811,093</u>

See accompanying notes.

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from grants	\$ 271,521	\$ 1,045,109
Receipts from providing services	559,750	643,901
Interest income on notes receivable	84,809	101,426
Repayments of notes receivable	760,615	647,796
Issuance of notes receivable	(393,000)	(689,666)
Payments of grants	(245,000)	(528,334)
Payments of service providers and suppliers	(55,439)	(252,346)
Payments for employee services	(163,876)	(169,244)
Net cash provided by operating activities	<u>819,380</u>	<u>798,642</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Purchase of equipment	(330)	(1,660)
Net cash used by financing activities	<u>(330)</u>	<u>(1,660)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest income	22,650	19,340
Purchase of certificate of deposit	(151,284)	-
Purchase of land held for investment	(55,000)	-
Net cash provided (used) by investing activities	<u>(183,634)</u>	<u>19,340</u>
Net increase in cash and cash equivalents	635,416	816,322
Cash and cash equivalents - beginning of year	<u>3,118,137</u>	<u>2,301,815</u>
Cash and cash equivalents - end of year	<u>\$ 3,753,553</u>	<u>\$ 3,118,137</u>
Reconciliation of income (loss) from operations to net cash provided by operating activities:		
Income (loss) from operations	\$ 1,742,456	\$ (20,742)
Adjustment to reconcile income (loss) from operations to net cash provided by operating activities:		
Depreciation expense	1,409	1,279
Bad debt expense, net of recoveries	24,077	172,829
Change in assets and liabilities:		
Decrease (increase) in:		
Accounts receivable	232,000	(53,317)
Notes receivable	367,615	(41,870)
Accrued interest receivable	(13,195)	-
Wind farm receivable	(1,250,862)	577,947
Increase (decrease) in:		
Accounts payable and accrued liabilities	(194,899)	238,284
Unavailable revenue	(89,221)	(75,768)
Net cash provided by operating activities	<u>\$ 819,380</u>	<u>\$ 798,642</u>

See accompanying notes.

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the Wyoming County Industrial Development Agency (the Agency) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

A. REPORTING ENTITY

PRIMARY GOVERNMENT

The Wyoming County Industrial Development Agency (the Agency) was created in 1974 by the Wyoming County Board of Supervisors and a special act of the New York State Legislature to facilitate economic development in the County. The Agency is a discretely presented component unit of Wyoming County. During the year ended December 31, 2010 the Agency transferred a majority of their loan activity as well as start up cash to the Wyoming County Business Assistance Corporation, a blended component unit of the Agency. Some additional loans of the Agency were transferred to the Loan Corporation during the year ended December 31, 2011.

COMPONENT UNIT

In conformity with accounting principles generally accepted in the United States of America, the financial statements of the Wyoming County Business Assistance Corporation, the only component unit, has been included in the financial reporting entity as a blended component unit. The blended component unit's balances are reported in the same manner as the primary government and are combined into one primary government column. This is due to the fact the component unit is so intertwined with the primary government that they are substantially the same entity.

The Wyoming County Business Assistance Corporation (the Loan Corporation) was established on May 14, 2009 by the Agency under section 1411 of the Not-For-Profit Corporation Law of the State of New York. The sole purpose of the Loan Corporation is to manage business loan funds on behalf of the Agency and is a corporation as defined in sub paragraph (a) (5) of section 102 of the Not-For-Profit Corporation Law of the State of New York.

B. BASIS OF PRESENTATION

The Agency's basic financial statements consist of three statements that provide information about the Agency's activities. The first statement is the statement of net position which lists all of the Agency's assets, liabilities with the difference reported as net position. The net position is classified as restricted, unrestricted and net investment in capital assets.

The second statement is the statement of revenues, expenses and changes in net position which details how the Agency's net position changed during the year based on the reporting of the revenues and expenses recognized by the Agency. The third statement is the statement of cash flows which reports the activities that provide or use the cash and cash equivalents of the Agency.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The financial statements of the Agency are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the Agency gives or receives value without directly receiving or giving equal value in exchange, include grants. Revenue from grants is recognized in the fiscal year in which all eligibility requirements have been satisfied.

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. INCOME TAXES

The Agency is a quasi-governmental organization. The Agency is not subject to federal or state income taxes, nor is it required to file federal or state income tax returns, therefore, no provision for income taxes is reflected in these financial statements. The Loan Corporation is no longer subject to federal and state income tax examinations by tax authorities for years prior to 2010.

E. CASH AND CASH EQUIVALENTS/INVESTMENTS

The Agency's cash and cash equivalents consists of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. Investments consist of certificates of deposit with maturities in excess of three months.

F. ACCOUNTS RECEIVABLE

Accounts receivable are reported at their net realizable value. Generally accepted accounting principles require the establishment of an allowance for doubtful accounts, however, no allowance for uncollectible accounts has been provided since management believes that such allowance would not be necessary.

G. PROPERTY AND EQUIPMENT

Property and equipment is recorded at acquisition cost and depreciated over the estimated useful lives of the respective assets using the straight-line method. The cost of repairs, maintenance and minor replacements is expensed as incurred, whereas expenditures that materially extend property lives are capitalized. When depreciable property is retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any gain or loss is reflected in income. As of December 31, 2013 and 2012 depreciation expense amounted to \$1,409 and \$1,279, respectively.

H. INSURANCE

The Agency is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, personal injury liability, and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. Settled claims from these risks have not yet exceeded commercial insurance coverage for the past three fiscal years.

I. UNEARNED REVENUE

The Agency reports unearned revenue on its statement of net position. Unearned revenue arises when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. Unearned revenue also arises when resources are received by the Agency before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the Agency has legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized.

J. NET POSITION

Equity is classified as net position and displayed in three components:

- a. New investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation.

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- b. Restricted net position - Consists of net position with constraints on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that does not meet the definition of "restricted" or "invested in capital assets."

K. REVENUE RECOGNITION

Operating revenue consists of revenue from fees earned on lease-leaseback transactions and management services provided for the Loan Corporation by the Agency, along with interest received from bank accounts, cash in time deposits, and rental property. The Agency earns its fees primarily from lease agreements, which are based on 1% of the total project cost as indicated in the original lease application. Fee income is recorded as revenue when the agreement is finalized, regardless of when the related cash is received.

L. STATEMENT OF CASH FLOWS

For the purposes of the statement of cash flows the Agency considers cash and cash equivalents to be all unrestricted cash accounts including demand accounts and certificates of deposit with an original maturity of three months or less.

M. NEW ACCOUNTING PRONOUNCEMENTS

During the fiscal year ended December 31, 2013, the Agency adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The Agency had a liability that was required to be reclassified to deferred inflows of resources for the fiscal year ended December 31, 2013 and 2012.

Additionally, during the year ended December 31, 2013, the Agency completed the process of evaluating the impact that will result from adopting GASB Statement No. 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34*, and Statement No. 66, *Technical Corrections—2012—an amendment of GASB Statements No. 10 and 62*, effective for the year ending December 31, 2013. GASB Statements No. 61 and 66 have been adopted as applicable, for the year ended December 31, 2013 and did not have a material impact on the Agency's financial position or results from operations.

The GASB has issued the following new statements:

- Statement No. 67, *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25*, which will be effective for the year ending December 31, 2014; and
- Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, which will be effective for the year ending December 31, 2015.
- Statement No. 69, *Government Combinations and Disposals of Government Operations*, which will be effective for the year ending December 31, 2014;
- Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, effective for the year ending December 31, 2014; and
- Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which should be applied simultaneously with the provisions of Statement No. 68.

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Agency is currently reviewing these statements and plans on adoption of these policies as deemed appropriate.

N. USE OF ESTIMATES IN PREPARATION OF FINANCIAL STATEMENTS

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. This affects the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenue and expenditures during the reporting periods. Actual results could differ from those estimates.

NOTE 2. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

A. ASSETS

1. CASH, CASH EQUIVALENTS AND INVESTMENTS

The Agency's investment policies are governed by State statutes. In addition, the Agency has its own written investment policy. Agency monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The Agency Director is authorized to use interest bearing demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, repurchase agreements and obligations of the State of New York and its localities.

Collateral is required for demand deposits and certificates of deposits not covered by federal deposit insurance. Obligations that 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.

Investment and Deposit Policy

The Agency implemented Governmental Accounting Standards Board Statement No. 40, *Deposit and Investment Risk Disclosures*.

The Agency follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conformance with federal, state and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of the Agency Director.

Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. The Agency's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The Agency's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. The Agency's investment and deposit policy authorizes the reporting entity to purchase the following types of investments:

- Interest bearing demand accounts.
- Certificates of deposit.
- Obligations of the United States Treasury and United States agencies.
- Obligations of New York State and its localities.

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

NOTE 2. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with the Agency's investment and deposit policy, all deposits of the Agency including interest bearing demand accounts and certificates of deposit, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act (FDIC) shall be secured by a pledge of securities with an aggregate value equal to 102% of the aggregate amount of deposits. The Agency restricts the securities to the following eligible items:

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and United States agencies.
- Obligations issued or fully insured or guaranteed by New York State and its localities.

2. NOTES RECEIVABLE

The Agency provides low interest notes to businesses located in Wyoming County in order to encourage economic development. Notes receivable consisted of the following at December 31,

		<u>2013</u>	<u>2012</u>
<u>Notes receivable - the Agency:</u>			
Hillcrest Industries, Inc.	Land acquisition agreement for a railway initiative requiring the Agency to acquire a parcel of land. This loan is in finalization of documents in order to be processed. This note was transferred to the Loan Corporation during 2013.	-	60,000
		_____	_____
Total notes receivable of the Agency		-	60,000
Less: allowance for uncollectible notes		-	-
		_____	_____
Notes receivable, net		<u>\$ -</u>	<u>\$ 60,000</u>

Notes receivable - the Loan Corporation:

Action Enterprises, Inc.	Monthly installments of principal and interest in the amount of \$1,466 over five years commencing once funding is received from HUD. Annual interest rate of 3.25%. This note paid interest only payments during 2013, and 50% of the outstanding note is currently in an allowance for doubtful accounts.	\$ 150,000	\$ 150,000
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WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

NOTE 2. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)

		<u>2013</u>	<u>2012</u>
ACO Acquisitions, LLC	<p>Monthly installment of principal in the amount of \$2,500 over ten years commencing 7/25/10. Non interest bearing note. This note was previously amended to non-interest bearing with an extended note term, as well as, in a stabilization plan which expired in 2012. Since that time, payments did not resume until 2013, and 50% of the outstanding note is currently in an allowance for doubtful accounts.</p>	280,000	287,500
Arcade REHC I, LLC	<p>Annual installments of principal and interest in the amount of \$5,000 commencing 10/03/08 with balloon payment on 9/3/18. Annual interest rate of 1.0%.</p>	475,000	480,000
Athletica, Inc.	<p>Monthly installments of principal and interest in the amount of \$2,191 over seven years commencing 02/29/08. Annual interest rate of 6.0%.</p>	55,217	77,469
Athletica, Inc. II	<p>Monthly installments of principal and interest in the amount of \$1,006 over five years commencing 03/12/12. Annual interest rate of 5.25%.</p>	36,851	46,709
Attica Millworks, Inc.	<p>Monthly installments of principal and interest in the amount of \$2,433 over six years commencing 10/23/10. Annual interest rate of 5.25%. Note entered a stabilization plan during 2012, allowing payments to cease for one year. Payments reconvened in October 2013.</p>	99,193	103,165
Bert Heinrich, Inc.	<p>Monthly installments of principal and interest in the amount of \$248 over eight and a half years amended on 04/23/10. Annual interest rate of 5.5%. Frequency of payments has decreased, therefore 10% of loan is included in allowance for doubtful accounts.</p>	17,121	18,126

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

NOTE 2. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)

		<u>2013</u>	<u>2012</u>
Burly Bros.	Monthly installments of principal and interest in the amount of \$1,608 over ten years, commencing 03/13/13, with a balloon payment due on 3/13/23. Annual interest rate of 5.25%.	191,762	-
Byrncliff, Inc.	Monthly installments of principal and interest in the amount of \$1,568 over seven years commencing on 01/28/13. Annual interest rate of 5.25%.	97,152	110,000
Caring Harts Transport, Inc.	Monthly installments of principal and interest in the amount of \$531 over five years commencing on 02/26/10. Annual interest rate of 5.0%.	12,592	18,187
Caring Harts Transport, Inc.	An additional \$43,000 was issued to this note during 2013. The amended note is for monthly installments of principal and interest in the amount of \$1,489 over seven years. Annual interest rate of 5.13%.	101,746	63,464
Crompton Camp Resort	Monthly installments of principal and interest in the amount of \$1,140 over seven years commencing on 6/19/11. Annual interest rate of 5.25%. This note was paid in full during 2013.	-	65,236
Drasgow, Inc.	Monthly installments of principal and interest in the amount of \$1,714 over seven years commencing 07/13/10. Annual interest rate of 7.0%.	65,607	82,246
Drasgow, Inc.	Monthly installments of principal in the amount of \$385 over five years commencing 05/24/10. Interest rate of 5.25% was paid at closing.	14,734	18,471

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

NOTE 2. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)

		<u>2013</u>	<u>2012</u>
Drasgow, Inc. III	Monthly installments of principal and interest in the amount of \$1,011 over ten years commencing 01/18/13. With a balloon payment in January 2023. Annual interest rate of 5.25%.	145,642	150,000
Ed's Woodworks	Monthly installments of principal and interest over five years amended on 04/23/10. Annual interest rate of 5%. This note was paid in full during 2013.	-	8,318
Fore Golf Group	Monthly installments of principal and interest over ten years commencing on 4/1/11. Annual interest rate of 5.25%. During 2013, this business was sold and the Loan Corporation received \$150,000 towards the note balance. The remaining balance of \$44,869 was written-off in 2013.	-	194,869
Hidden Valley Animal Adventure	Six months of interest only commencing 12/12/10 and monthly installments of principal and interest in the amount of \$2,010 over 15 years commencing 6/12/11. Annual interest rate of 5.25%	220,705	233,872
Hillcrest Industries, Inc.	Monthly installments of principal and interest in the amount of \$2,146 over 10 years commencing 3/01/10. Annual interest rate of 5.25%.	133,847	153,522
Hillcrest Industries, Inc.	This note was transferred to the Loan Corporation from the Agency during 2013. Monthly installment of principal and interest in the amount of \$855 over seven years commencing 5/01/14 Annual interest rate of 5.25%.	60,000	-

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

NOTE 2. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)

		<u>2013</u>	<u>2012</u>
In-Site Enterprises, LLC	Monthly installments of principal and interest in the amount of \$804 over 15 years commencing 05/04/10. Annual interest rate of 5.25%.	87,445	92,360
Lisaenal-d LTD	Monthly installments of principal and interest in the amount of \$644 over ten years commencing on 6/4/11. Annual interest rate of 5.25%.	48,239	53,287
Lisaenal-d LTD II	Monthly installments of principal and interest in the amount of \$644 over ten years commencing on 4/19/12. Annual interest rate of 5.25%.	51,633	56,508
LVM Materials, LLC	Monthly installments of principal and interest in the amount of \$1,206 over ten years commencing on 11/15/12, with a balloon payment in November 2022. Annual interest rate of 5.25%.	142,083	148,898
M&T Trucking, Inc.	Monthly installments of principal and interest in the amount of \$2,414 over ten years commencing 9/30/07. Annual interest rate of 3%.	102,622	126,002
M&T Trucking, Inc.	Monthly installments of principal in the amount of \$2,083 over ten years commencing 08/01/06. Interest rate of 3% was paid at closing	64,583	87,500
Mama's Home, Cooking, LTD	Monthly installments of principal in the amount of \$4,800 over six years commencing on 7/13/05. Non interest bearing note. This note was part of a business stabilization program during the years of 2009 and 2010. Payments have resumed, and the note is considered fully collectible.	2,775	4,511

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

NOTE 2. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)

		<u>2013</u>	<u>2012</u>
Marquart Bros, LLC	Monthly installments of principal in the amount of \$4,800 over ten years commencing on 12/31/10. Annual interest rate of 3.0% was paid at closing.	96,000	112,000
McCormick Farms, Inc.	Annual installments of principal in the amount of \$26,000 over ten years commencing 06/01/07. Interest rate of 3% was paid at closing.	78,000	104,000
Mille Fabricators	Monthly installments of principal over ten years commencing 08/12/07. Interest rate of 3% was paid at closing. This business ceased operations and the Loan Corporation has included the full amount in allowance for doubtful accounts in the current year. Due to these funds being CDBG, the Loan Corporation is awaiting a decision from the State for treatment of a future write-off.	79,861	79,861
Ray Sciarrino	Monthly installments of principal and interest in the amount of \$506 over five years commencing 09/01/04. Annual interest rate of 4%.	52,974	56,842
F.U.N. Bowling, Center d/b/a Perry Bowling Center	Monthly installments of principal in the amount of \$298 over seven years commencing on 12/02/05. Non interest bearing note. Business has resumed actively paying.	2,083	3,869
Perry NY, LLC	Monthly installments of principal and interest in the amount of \$836 over fifteen years commencing 12/20/07. Annual interest rate of 6.0%.	78,435	83,590

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

NOTE 2. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)

		<u>2013</u>	<u>2012</u>
Perry NY, LLC	Monthly installments of principal and interest in the amount of \$674 over 20 years commencing 12/16/10. Annual interest rate of 6.0%.	90,530	93,771
Prestolite Electric	Monthly installments of principal in the amount of \$2,976 over seven years commencing on 11/15/11. Non interest bearing note.	190,476	226,191
RS Maher & Son, Inc.	Monthly installments of principal and interest in the amount of \$476 over ten years commencing 02/18/11. Interest rate of 3% was paid at closing.	40,520	46,241
Sarah Schafer	Monthly installments of principal and interest in the amount of \$528 over seven years commencing 05/08/08. Annual interest rate of 7.0. This note was previously in a stabilization plan, and has resumed payments on principal.	15,770	20,815
Schreiberdale Holsteins, LLC	Repayment terms allow interest only payments for up to six months, commencing 11/7/13, with a mandatory pre-payment of principal in the amount of \$75,000. Thereafter, making monthly installments of principal and interest in the amount of \$1,424 over the remaining five years of the note. Annual interest rate of 5.25%.	150,000	-
Sregnuoy Farms, LLC	Monthly installments of principal in the amount of \$528 over ten years commencing on 7/25/10. Interest rate of 3% was paid at closing.	41,166	48,027

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

NOTE 2. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)

		<u>2013</u>	<u>2012</u>
Steel O'Brien Manufacturing	Monthly installments of principal in the amount Of \$506 over ten years commencing on 4/18/11. Interest rate of 3% was paid at closing.	43,983	49,038
Sun Dor, Inc. CDBG	Monthly installments of principal and interest in the amount of \$556 over ten years commencing 4/08/12. Annual interest rate of 3%.	55,000	61,666
Toy Storage Inc.	Monthly installments of principal and interest in the amount of \$713 over seven years commencing 9/10/11. Annual interest rate of 5.25%.	35,324	41,834
Valley Computer Solutions	Originally commencing 09/22/05 however this note was amended effective 04/22/10. Monthly installments of principal over thirty-seven months. Non interest bearing note. This note was paid in full during 2013.	-	1,190
William G. Mest Packing Co., Inc.	Monthly installments of principal and interest over ten years commencing 10/22/05. Annual interest rate of 6.0%. This note was written-off during 2013, due to the Loan Corporation waiving their claim to funds during a bankruptcy proceeding.	-	55,168
Wyoming County Community Action	Grant anticipation note. Grant funding to be provided by NYS OCR as pass through funds from NYS Main Street Grant Program. Note is due no later than 12/31/12. Interest rate of 3.25%. This note was paid in full during 2013.	-	200,000
Total notes receivable of the Loan Corporation		<u>3,706,671</u>	4,114,323
Less: allowance for uncollectible notes		<u>296,556</u>	<u>372,516</u>
Loan Corporation notes receivable, net		<u>3,410,115</u>	3,741,807

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

NOTE 2. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)

	<u>2013</u>	<u>2012</u>
<u>Agency (combined with Loan Corporation):</u>		
Total notes receivable, net	3,410,115	3,801,807
Less: current maturities	<u>596,796</u>	<u>744,854</u>
Notes receivable - long-term	<u>\$ 2,813,319</u>	<u>\$ 3,056,953</u>

The Agency's policy is to present notes receivable net of an allowance for doubtful accounts. At December 31, 2013 and 2012, there was no allowance for doubtful accounts for the remaining note held by the Agency. During the fiscal year ended December 31, 2013 and 2012, the Agency did not write-off any notes receivable.

The Loan Corporation's policy is to present notes receivable net of an allowance for uncollectible notes. At December 31, 2013 and 2012, the allowance for doubtful accounts was \$296,556 and \$372,516, respectively. During the fiscal year ended December 31, 2013 the Loan Corporation wrote-off the remaining balance of two notes totaling \$100,051 against the allowance account.

All notes receivable are collateralized by assets of the respective companies.

At December 31, 2013, the notes portfolio consisted of 39 notes that bear interest at rates ranging from 0% to 7% and mature at various dates through November 16, 2030.

Scheduled maturities of principal for these notes for the next five years and thereafter are as follows:

Fiscal Year	Principal Maturity	Interest
2014	\$ 597,671	\$ 106,529
2015	445,526	92,688
2016	419,257	79,120
2017	344,471	66,766
2018	743,848	57,011
2019-2023	1,023,103	13,543
2024-2028	118,083	785
2029-2030	<u>14,713</u>	<u>-</u>
	<u>\$3,706,671</u>	<u>\$ 557,536</u>

3. WIND FARM RECEIVABLE

In connection with administrative fee agreements on the wind farm projects, the Agency has agreed to accept payment of the fee in equal installments over five years. Upon completion of the project, the Agency recorded fee revenue and receivable for the remaining unpaid balance.

	<u>2013</u>	<u>2012</u>
<u>Wind Projects</u>		
Annual installments:		
Wethersfield	\$ 150,634	\$ 301,268
Stony Creek	<u>1,401,496</u>	<u>-</u>
	<u>1,552,130</u>	<u>301,268</u>
Less: current maturities	<u>501,008</u>	<u>150,634</u>
Wind farm receivable - long-term	<u>\$ 1,051,122</u>	<u>\$ 150,634</u>

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

NOTE 2. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)

The Agency's policy is to present receivables net of an allowance for doubtful accounts. At December 31, 2013 and 2012, the receivables noted above were considered fully collectable.

4. ACCOUNTS RECEIVABLE

Major revenues accrued by the Agency at December 31 include the following:

	<u>2013</u>	<u>2012</u>
Miscellaneous	\$ 240	\$ 12,240
National Grid	-	<u>250,000</u>
	<u>\$ 240</u>	<u>\$ 262,240</u>

NOTE 3. NET POSITION

The Loan Corporation has received pass-through Micro HUD grant funds from Wyoming County. Under the provisions of the grant, annual program revenue in excess of \$25,000 are restricted to the Micro HUD loan program. Restricted amounted to \$149,866 at December 31, 2013 and 2012. In addition, it is the Board's intention to designate annual program revenue not exceeding \$25,000 for the maintenance of a revolving loan program. Board designated net position for the maintenance of the loan program amounted to \$115,116 and \$110,404 at December 31, 2013 and 2012, respectively.

NOTE 4. OUTSTANDING BOND ISSUES

Bonds issued by the Agency are collateralized by the property which is leased to the borrowing company and the bonds are retired by lease payments. The bonds are not an obligation of the Agency, the County of Wyoming or the State of New York. The Agency does not record the assets or liabilities resulting from a completed bond issue in their accounts, since its primary function is to arrange the financing between the borrowing company and the lending bondholders, and the funds arising there from are controlled by a trustee bank.

NOTE 5. LEASES

At December 31, 2013 and 2012, the Agency had entered into various lease agreements. These leases are merely financing arrangements in which the Agency has provided tax incentives or acts only as a financing conduit. Therefore, the Agency does not record these transactions in their financial records.

NOTE 6. RELATED PARTY TRANSACTIONS

The Agency receives some of its equipment and office space resources from the County of Wyoming. The Agency makes no payments to the County for these services, and the value of the services has not been reflected in the assets, liabilities, revenues or expenses of the Agency for the years ended December 31, 2013 and 2012.

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

NOTE 7. GRANTS

During the year ended December 31, 2011, the Agency obtained a grant from the NYS Department of Transportation (DOT) to fund the Rail Initiative project in the amount of \$1,300,000, to be funded 85% by DOT, 5% by Wyoming County and 10% by the Agency. The Agency drew down \$293,686 from DOT during the year ended December 31, 2012. During the year ended December 31, 2013 the Rail Initiative project came to a standstill, due to the Village of Attica withdrawing from the project. The Agency is currently working with the engineers, and have had communications with the State, to try to locate an acceptable location for the project. The Agency hopes to have some resolve regarding this issue by the end of 2014.

SUPPLEMENTAL INFORMATION

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT OF WYOMING COUNTY)

COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2013

ASSETS	Agency	Loan Corporation	Eliminations	Total
Current assets:				
Cash and cash equivalents	\$ 2,678,358	\$ 1,075,195	\$ -	\$ 3,753,553
Accounts receivable	30,240	-	(30,000)	240
Accrued interest receivable	-	8,262	-	8,262
Wind farm receivable	501,008	-	-	501,008
Notes receivable	-	596,796	-	596,796
Due from Agency	-	21,521	(21,521)	-
Land held for investment	55,000	-	-	55,000
Total current assets	<u>3,264,606</u>	<u>1,701,774</u>	<u>(51,521)</u>	<u>4,914,859</u>
Property and equipment:				
Office equipment	9,005	-	-	9,005
Less: accumulated depreciation	6,565	-	-	6,565
Total property and equipment, net	<u>2,440</u>	<u>-</u>	<u>-</u>	<u>2,440</u>
Noncurrent assets:				
Investments - certificate of deposit	407,789	-	-	407,789
Wind farm receivable	1,051,122	-	-	1,051,122
Notes receivable, net	-	2,813,319	-	2,813,319
Total long-term assets	<u>1,458,911</u>	<u>2,813,319</u>	<u>-</u>	<u>4,272,230</u>
Total assets	<u>4,725,957</u>	<u>4,515,093</u>	<u>(51,521)</u>	<u>9,189,529</u>
LIABILITIES				
Accrued liabilities	380	30,000	(30,000)	380
Unearned revenue	113,837	-	-	113,837
Due to Loan Corporation	21,521	-	(21,521)	-
Total liabilities	<u>135,738</u>	<u>30,000</u>	<u>(51,521)</u>	<u>114,217</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - revolving loans	-	499,113	-	499,113
Total deferred inflows of resources	<u>-</u>	<u>499,113</u>	<u>-</u>	<u>499,113</u>
NET POSITION				
Net investment in capital assets	2,440	-	-	2,440
Restricted	-	149,866	-	149,866
Unrestricted	4,587,779	3,836,114	-	8,423,893
Total net position	<u>4,590,219</u>	<u>3,985,980</u>	<u>-</u>	<u>8,576,199</u>

(1) This represents an amount owed by the Agency to the Loan Corporation.

(2) This represents the remaining amount owed by the Loan Corporation to the Agency for the remainder of their 2013 administrative fee.

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT OF WYOMING COUNTY)

COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2012

	Agency	Loan Corporation	Eliminations	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 2,491,287	\$ 626,850	\$ -	\$ 3,118,137
Accounts receivable	262,240	-	-	262,240
Accrued interest receivable	-	16,588	-	16,588
Wind farm receivable	150,634	-	-	150,634
Notes receivable	60,000	684,854	-	744,854
Due from Agency	-	21,521	(21,521) (1)	-
Total current assets	2,964,161	1,349,813	(21,521)	4,292,453
Property and equipment:				
Office equipment	8,955	-	-	8,955
Less: accumulated depreciation	5,436	-	-	5,436
Total property and equipment, net	3,519	-	-	3,519
Noncurrent assets:				
Investments - certificate of deposit	256,505	-	-	256,505
Wind farm receivable	150,634	-	-	150,634
Notes receivable, net	-	3,056,953	-	3,056,953
Total long-term assets	407,139	3,056,953	-	3,464,092
Total assets	3,374,819	4,406,766	(21,521)	7,760,064
LIABILITIES				
Accounts payable and accrued liabilities	246,800	-	-	246,800
Unearned revenue	113,837	-	-	113,837
Due to Loan Corporation	21,521	-	(21,521) (1)	-
Total liabilities	382,158	-	(21,521)	360,637
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - revolving loans	-	588,334	-	588,334
Total deferred inflows of resources	-	588,334	-	588,334
NET POSITION				
Net investment in capital assets	3,519	-	-	3,519
Restricted	-	149,866	-	149,866
Unrestricted	2,989,142	3,668,566	-	6,657,708
Total net position	2,992,661	3,818,432	-	6,811,093

(1) This represents an amount owed by the Agency to the Loan Corporation.

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT OF WYOMING COUNTY)

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2013

	Agency	Loan Corporation	Eliminations	Total
Operating revenues:				
Fees and penalties	\$ 1,851,782	\$ 4,405	(60,000) (1)	\$ 1,796,187
Grant revenue	-	89,221	-	89,221
Interest income on notes receivable	-	102,432	-	102,432
Rents	2,280	-	-	2,280
Recovery of bad debt	-	56,426	-	56,426
Miscellaneous	145	-	-	145
Total operating revenues	1,854,207	252,484	(60,000)	2,046,691
Operating expenses:				
Administration fee	-	60,000	(60,000) (1)	-
Bad debt expense	-	84,931	-	84,931
Community investment	6,000	-	-	6,000
Conferences and training	1,111	-	-	1,111
Depreciation	1,409	-	-	1,409
Insurance	4,735	-	-	4,735
Marketing	4,679	-	-	4,679
Meetings and dinners	263	-	-	263
Memberships and publications	3,722	-	-	3,722
Miscellaneous expenses	-	15	-	15
Office expense and printing	3,907	-	-	3,907
Professional fees	17,767	-	-	17,767
Professional services	1,371	-	-	1,371
Rail initiative project	4,404	-	-	4,404
Salaries and benefits	162,456	-	-	162,456
Subcontractors	3,913	-	-	3,913
Travel	3,552	-	-	3,552
Total operating expenses	219,289	144,946	(60,000)	304,235
Operating income	1,634,918	107,538	-	1,742,456

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT OF WYOMING COUNTY)

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2013
(CONTINUED)

	Agency	Loan Corporation	Eliminations	Total
Nonoperating revenues (expenses):				
Interest income	\$ 22,640	\$ 10	\$ -	\$ 22,650
Transfer from the Agency	-	60,000	(60,000) (2)	-
Transfer to the Loan Corporation	(60,000)	-	60,000 (2)	-
Total nonoperating revenues (expenses)	<u>(37,360)</u>	<u>60,010</u>	<u>-</u>	<u>22,650</u>
Change in net position	1,597,558	167,548	-	1,765,106
Net position - beginning of year	<u>2,992,661</u>	<u>3,818,432</u>	<u>-</u>	<u>6,811,093</u>
Net position - end of year	<u>\$ 4,590,219</u>	<u>\$ 3,985,980</u>	<u>\$ -</u>	<u>\$ 8,576,199</u>

(1) This represents the administrative fee paid by the Loan Corporation to the Agency for administrative services performed.
(2) This represents a loan that was transferred from the Agency to the Loan Corporation for further administration and collection.

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT OF WYOMING COUNTY)

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2012

	Agency	Loan Corporation	Eliminations	Total
Operating revenues:				
Fees and penalties	\$ 121,045	\$ 13,069	\$ (60,000) (1)	\$ 74,114
Grant revenue	872,353	289,605	-	1,161,958
Interest income on notes receivable	-	102,912	-	102,912
Rents	2,520	-	-	2,520
Miscellaneous	70	-	-	70
Total operating revenues	995,988	405,586	(60,000)	1,341,574
Operating expenses:				
Administration fee	-	60,000	(60,000) (1)	-
Bad debt expense	-	172,829	-	172,829
Community investment	6,000	-	-	6,000
Conditional grant	2,912	-	-	2,912
Conferences and training	2,168	-	-	2,168
Depreciation	1,279	-	-	1,279
Grant expense	740,000	33,334	-	773,334
Insurance	2,780	-	-	2,780
Marketing	28,970	-	-	28,970
Meetings and dinners	261	-	-	261
Memberships and publications	3,815	-	-	3,815
Office expense and printing	3,464	-	-	3,464
Professional fees	18,284	-	-	18,284
Professional services	1,370	-	-	1,370
Rail initiative project	170,577	-	-	170,577
Salaries and benefits	166,340	-	-	166,340
Subcontractors	2,525	-	-	2,525
Travel	5,408	-	-	5,408
Total operating expenses	1,156,153	266,163	(60,000)	1,362,316
Operating income (loss)	(160,165)	139,423	-	(20,742)

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT OF WYOMING COUNTY)

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2012
(CONTINUED)

	Agency	Loan Corporation	Eliminations	Total
Nonoperating revenues (expenses):				
Interest income	\$ 20,660	\$ 149	\$ -	\$ 20,809
Total nonoperating revenues (expenses)	<u>20,660</u>	<u>149</u>	<u>-</u>	<u>20,809</u>
Change in net position	(139,505)	139,572	-	67
Net position - beginning of year	<u>3,132,166</u>	<u>3,678,860</u>	<u>-</u>	<u>6,811,026</u>
Net position - end of year	<u>\$ 2,992,661</u>	<u>\$ 3,818,432</u>	<u>\$ -</u>	<u>\$ 6,811,093</u>

(1) This represents the administrative fee paid by the Loan Corporation to the Agency for administrative services performed.

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT OF WYOMING COUNTY)

COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013

	Agency	Loan Corporation	Eliminations	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from grants	\$ 250,000	\$ 21,521	\$ -	\$ 271,521
Receipts from providing services	585,345	4,405	(30,000) (2)	559,750
Interest income on notes receivable	-	84,809	-	84,809
Repayments of notes receivable	-	760,615	-	760,615
Issuance of notes receivable	-	(393,000)	-	(393,000)
Payment of grants	(245,000)	-	-	(245,000)
Payments of service providers and suppliers	(55,424)	(30,015)	30,000 (2)	(55,439)
Payments for employee services	(163,876)	-	-	(163,876)
Net cash provided by operating activities	371,045	448,335	-	819,380
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchase of equipment	(330)	-	-	(330)
Net cash used by noncapital financing activities	(330)	-	-	(330)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest income	22,640	10	-	22,650
Purchase of certificate of deposit	(151,284)	-	-	(151,284)
Purchase of land held for investment	(55,000)	-	-	(55,000)
Net cash provided (used) by investing activities	(183,644)	10	-	(183,634)
Net increase in cash and cash equivalents	187,071	448,345	-	635,416
Cash and cash equivalents - beginning of year	2,491,287	626,850	-	3,118,137
Cash and cash equivalents - end of year	\$ 2,678,358	\$ 1,075,195	\$ -	\$ 3,753,553

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT OF WYOMING COUNTY)

COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2013
(CONTINUED)

	Agency	Loan Corporation	Eliminations	Total
Reconciliation of income from operations to net cash provided by operating activities:				
Income from operations	\$ 1,634,918	\$ 107,538	-	\$ 1,742,456
Adjustment to reconcile income from operations to net cash provided by operating activities:				
Depreciation expense	1,409	-	-	1,409
Bad debt expense, net of recoveries	-	24,077	-	24,077
Change in assets and liabilities:				
Decrease (increase) in:				
Accounts receivable	232,000	-	-	232,000
Notes receivable	-	367,615	-	367,615
Accrued interest receivable	-	(13,195)	-	(13,195)
Due from other governments	-	21,521	(21,521)	-
Wind farm receivable	(1,250,862)	-	-	(1,250,862)
Increase in:				
Accounts payable and accrued liabilities	(246,420)	30,000	21,521	(194,899)
Unavailable revenue - revolving loans	-	(89,221)	-	(89,221)
Net cash provided by operating activities	\$ 371,045	\$ 448,335	-	\$ 819,380

(1) This represents an amount owed by the Agency to the Loan Corporation.

(2) This represents the administrative fee paid by the Loan Corporation to the Agency for administrative services performed.

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT OF WYOMING COUNTY)

COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2012

	Agency	Loan Corporation	Eliminations	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from grants	\$ 945,109	\$ 100,000	-	\$ 1,045,109
Receipts from providing services	690,832	13,069	(60,000) (1)	643,901
Interest income on notes receivable	-	101,426	-	101,426
Repayments of notes receivable	-	647,796	-	647,796
Issuance of notes receivable	-	(689,666)	-	(689,666)
Payment of grants	(495,000)	(33,334)	-	(528,334)
Payments of service providers and suppliers	(252,346)	(60,000)	60,000 (1)	(252,346)
Payments for employee services	(169,244)	-	-	(169,244)
Net cash provided by operating activities	<u>719,351</u>	<u>79,291</u>	<u>-</u>	<u>798,642</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchase of equipment	(1,660)	-	-	(1,660)
Net cash used by noncapital financing activities	<u>(1,660)</u>	<u>-</u>	<u>-</u>	<u>(1,660)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest income	19,191	149	-	19,340
Net cash provided by investing activities	<u>19,191</u>	<u>149</u>	<u>-</u>	<u>19,340</u>
Net increase in cash and cash equivalents	736,882	79,440	-	816,322
Cash and cash equivalents - beginning of year	<u>1,754,405</u>	<u>547,410</u>	<u>-</u>	<u>2,301,815</u>
Cash and cash equivalents - end of year	<u>\$ 2,491,287</u>	<u>\$ 626,850</u>	<u>\$ -</u>	<u>\$ 3,118,137</u>

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT OF WYOMING COUNTY)

COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2012
(CONTINUED)

	Agency	Loan Corporation	Eliminations	Total
Reconciliation of income (loss) from operations to net cash provided by operating activities:				
Income (loss) from operations	\$ (160,165)	\$ 139,423	-	\$ (20,742)
Adjustment to reconcile income (loss) from operations to net cash provided (used) by operating activities:				
Depreciation expense	1,279	-	-	1,279
Bad debt expense	-	172,829	-	172,829
Change in assets and liabilities:				
Decrease (increase) in:				
Accounts receivable	(53,317)	-	-	(53,317)
Notes receivable	-	(41,870)	-	(41,870)
Wind farm receivable	579,433	(1,486)	-	577,947
Increase in:				
Accounts payable and accrued liabilities	238,284	-	-	238,284
Unavailable revenue	113,837	(189,605)	-	(75,768)
Net cash provided by operating activities	\$ 719,351	\$ 79,291	-	\$ 798,642

(1) This represents the administrative fee paid by the Loan Corporation to the Agency for administrative services performed.

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF INDUSTRIAL REVENUE BONDS ISSUED BY THE AGENCY
AS OF December 31, 2013

Name of Project	Olympic Management Systems, Inc
Address of Owner	Six Fountain Plaza, Plaza Level Buffalo, NY 14202
Issue Amount	2,871,926
Purpose of Issue	Construction
Date of Issue	1/13/06
Interest Rate	7.87% fixed
Maturity Date	1/1/26

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF INDUSTRIAL REVENUE LEASES ISSUED BY THE AGENCY
AS OF December 31, 2013

Name of Project M&T Truckng
Address of Owner Mark & Tracie Cole
532 Peoria Road
Pavilion, New York 14525
Date of Lease 01/20/2006
Date of Expiration 01/19/2021

Name of Project Blue Seal Feeds, Inc.
Address of Owner 50 Williams Street
Arcade, New York 14009
Date of Lease 02/14/2008
Date of Expiration 02/13/2018

Name of Project Shur-Gain USA, Inc
Address of Owner 3422 Dutch Hollow Road
Stykersville, New York 14145
Date of Lease 02/22/2005
Date of Expiration 02/21/2015

Name of Project Koike Aronson, Inc. AMENDED
Address of Owner 635 West Main Street
Arcade, New York 14009
Date of Lease 2/26/2007 Date Amended 12/23/13
Date of Expiration 2/25/2017 Amended new term 12/22/23

Name of Project Park Warner, LLC
Address of Owner 7406 Route 98
Arcade, New York 14009
Date of Lease 02/22/2007
Date of Expiration 02/21/2017

Name of Project TPI Arcade, Inc.
Address of Owner 7888 Route 98
Arcade, NY 14009
Date of Lease 10/01/1999
Date of Expiration 05/01/2020

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF INDUSTRIAL REVENUE LEASES ISSUED BY THE AGENCY
AS OF December 31, 2013

Name of Project Tall Bridge Asset Backed Fund, LP / Transfer of Old
Address of Owner 59 Liecester Street School Dev.
Perry, New York 14530
Date of Lease 02/27/2004
Date of Expiration 2/26/2014 Transferred back to owner July 2012

Name of Project Pioneer Properties, L.P
Address of Owner 26 Edwards Street
Arcade, NY 14009
Date of Lease 02/27/2003
Date of Expiration 02/27/2015

Name of Project Pioneer Properties, L.P
Address of Owner 20 Parker Lane
Perry, New York 14530
Date of Lease 02/24/2003
Date of Expiration 2/23/2013 expired back on tax rolls

Name of Project Hillcrest Industries
Address of Owner 40 Favor Street
Attica, New York 14011
Date of Lease 04/24/2002
Date of Expiration 4/23/2012 Expired - back on tax rolls

Name of Project Noble Bliss Wind Park, LLC
Address of Owner 7294 Centerville Road
Bliss, New York 14024
Date of Lease 04/23/2007
Date of Expiration 6/30/2023 (plus 5)

Name of Project Noble Wethersfield Windpark, LLC
Address of Owner 7294 Centerville Road
Bliss, New York 14024
Date of Lease 05/14/2008
Date of Expiration 06/30/2024 (plus 5)

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF INDUSTRIAL REVENUE LEASES ISSUED BY THE AGENCY
AS OF December 31, 2013

Name of Project	Sheldon Energy, LLC
Address of Owner	One South Wacker Drive, Suite 2020 Chicago, IL 60606
Date of Lease	09/10/2008
Date of Expiration	9/30/24 (plus 5)
Name of Project	Perry NY, LLC
Address of Owner	Rick Hauser 2 Borden Ave. Perry, NY 14530
Date of Lease	09/20/2007
Date of Expiration	09/19/2017
Name of Project	Krog Corp/ Arcade REHC 1
Address of Owner	The Krog Corporation 4 Centre Drive Orchard Park, New York 14127
Date of Lease	10/03/2008
Date of Expiration	12/31/2019
Name of Project	WNY Crop Management Association
Address of Owner	5240 Curtis Road Warsaw, New York 14569
Date of Lease	10/15/2008
Date of Expiration	10/15/2018
Name of Project	Crompton Holdings, Inc. Transfer to Sun Jelly WNY
Address of Owner	5204 Youngers Road North Java, New York 14113
Date of Lease	11/18/2008
Date of Expiration	11/18/2018
Name of Project	Drasgow, Inc.
Address of Owner	Karl Drasgow Varysburg, NY 14167
Date of Lease	12/07/2006
Date of Expiration	12/06/2016

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF INDUSTRIAL REVENUE LEASES ISSUED BY THE AGENCY
AS OF 'December 31, 2013

Name of Project CFD Real Estate / Agri Fab & Repair
Address of Owner 7965 Route 63
Pavilion, New York 14525
Date of Lease 02/23/2010
Date of Expiration 02/23/2020

Name of Project Hidden Valley Animal Adventure, LLC
Address of Owner 2614 Royce Road
Varysburg, New York 14157
Date of Lease 01/07/2010
Date of Expiration 01/07/2020

Name of Project In.Site Enterprises, LLC
Address of Owner 2 Borden Ave. Suite 202
Perry, New York 14530
Date of Lease 02/04/2010
Date of Expiration 02/04/2020

Name of Project Perry New York LLC - Howell Building
Address of Owner 2 Borden Ave. Suite 202
Perry New York 14530
Date of Lease 04/23/2010
Date of Expiration 04/23/2020

Name of Project Steel & O'Brien Manufacturing, Inc.
Address of Owner 7196 Route 98
Arcade, New York 14009
Date of Lease 01/11/2011
Date of Expiration 01/11/2021

Name of Project Noble Wind Operations
Address of Owner 3700 Route 78
Bliss, New York 14024
Date of Lease 03/18/2011
Date of Expiration 02/28/2021

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF INDUSTRIAL REVENUE LEASES ISSUED BY THE AGENCY
AS OF 'December 31, 2013

Name of Project EG & JR Miller (Sedam's)
Address of Owner 3165 Route 246, PO Box 106
Perry, NY 14530
Date of Lease 01/27/2012
Date of Expiration 01/26/2022

Name of Project Snyder Corp./ Biggest Loser Niagara
Address of Owner Six Fountain Drive
Buffalo, NY 14202
Date of Lease 09/28/2012
Date of Expiration 09/27/2022

Name of Project 3208 Route 39, LLC (LVM Materials)
Address of Owner 3200 Route 39
Bliss , New York 14024
Date of Lease 08/31/2012
Date of Expiration 08/30/2022

Name of Project New Stony Creek Energy, LLC
Address of Owner One South Wacker Drive, Suite 1900
Chicago, Illinois 60606
Date of Lease 03/01/2013
Date of Expiration 12/31/2029 (plus 5)

Name of Project New Perry Holding Company, LLC
Address of Owner 3180 Route 246
Perry, New York 14530
Date of Lease 10/01/2013
Date of Expiration 12/31/2025

Name of Project New Maple Grove- Hobin's
Address of Owner 7075 Route 98
Arcade, New York 14009
Date of Lease 12/23/2013
Date of Expiration 12/22/2023

SECTION B
INTERNAL CONTROL AND COMPLIANCE

**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 AUDITOR'S REPORT

To the Board of Directors of the
Wyoming County Industrial Development Agency

We have audited, 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, the financial statements of the 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, and have issued our report thereon dated March 26, 2014.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) 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 the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or 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 the 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 the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the 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.

Freed Maxick CPAs, P.C.

Batavia, New York
March 26, 2014



INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Directors of the
Wyoming County Industrial Development Agency

We have examined Wyoming County Industrial Development Agency's (the Agency) compliance with the New York State Comptroller's Investment Guidelines for Public Authorities and Section 2925 of the New York State Public Authorities Law (collectively, the "Investment Guidelines") for the year ended December 31, 2013. Management is responsible for the Agency's compliance with those requirements. As a result of the Wyoming County Business Assistance Corporation (the Loan Corporation) being a component unit of the Agency, which is consolidated with the Agency, this report pertains to the Loan Corporation's compliance as well. Our responsibility is to express an opinion on the Agency's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Agency's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Agency's compliance with specified requirements.

In our opinion, the Agency complied, in all material respects, with the aforementioned requirements for the year ended December 31, 2013.

This report is intended solely for the information and use of the Board of Directors, management and others within the Agency and the New York State Authorities Budget Office, and is not intended to be and should not be used by anyone other than these specified parties.

Freed Maxick CPAs, P.C.

Batavia, New York
March 26, 2014