

**TOWN OF DEWITT LOCAL
DEVELOPMENT CORPORATION**

Financial Statements

December 31, 2013 and 2012



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CERTIFIED PUBLIC ACCOUNTANTS PLLC

INDEPENDENT AUDITOR'S REPORT

**The Board of Directors of the
Town of DeWitt Local Development Corporation
DeWitt, New York**

Report on the Financial Statements

We have audited the accompanying financial statements of the Town of DeWitt Local Development Corporation, a component unit of the Town of DeWitt, 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 Town of DeWitt Local Development Corporation's basic financial statements.

Management's Responsibility for the Financial Statements

Town of DeWitt Local Development Corporation's 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 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 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 financial position of the Town of DeWitt Local Development Corporation as of December 31, 2013 and 2012, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 2 to the financial statements, the Town of DeWitt Local Development Corporation adopted the provisions of Governmental Accounting Standards Board No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to this matter.

In addition, as discussed in Note 2 to the financial statements, the Town of DeWitt Local Development Corporation's previously issued financial statements have been restated for the correction of a material misstatement. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report date April 21, 2014 on our consideration of Town of DeWitt Local Development Corporation'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 Town of DeWitt Local Development Corporation's internal control over financial reporting and compliance.



April 21, 2014
Syracuse, New York

TOWN OF DEWITT LOCAL DEVELOPMENT CORPORATION
Management's Discussion and Analysis
For the Year Ended December 31, 2013 (unaudited)

As management of the Town of DeWitt Local Development Corporation ("Town of DeWitt LDC"), we offer readers of this Corporation's financial statements this narrative overview and analysis of the financial activities of the Corporation for the year ended December 31, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the financial statements.

FINANCIAL HIGHLIGHTS

- Town of DeWitt LDC began operations in 2006.
- Town of DeWitt LDC primarily receives revenues from the Town of DeWitt, New York (Town of DeWitt). During 2013, the Town of DeWitt LDC received lease payments from the Town of DeWitt General Fund and Fire Protection District totaling \$345,175. In addition to the lease payments, payments of \$75,845 were also received related to the leased property.
- Town of DeWitt LDC repaid bond obligations in the amount of \$345,175 in 2013, which includes \$195,000 of principal and \$150,175 in interest.
- Town of DeWitt LDC's net position increased by \$3,251 in 2013.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town of DeWitt LDC's basic financial statements. The Town of DeWitt LDC's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide financial statements – The government-wide financial statements are designed to provide readers with a broad overview of the Town of DeWitt LDC's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the Town of DeWitt LDC's assets, liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town of DeWitt LDC is improving or deteriorating.

The Statement of Activities presents information showing how the Town of DeWitt LDC's net position changed during the fiscal year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in the future fiscal periods. Both of the government-wide financial statements report only business-type (proprietary) activities, since none of the Town of DeWitt LDC's activities are considered to be governmental activities supported primarily by taxes.

TOWN OF DEWITT LOCAL DEVELOPMENT CORPORATION
Management's Discussion and Analysis
For the Year Ended December 31, 2013 (unaudited)

Fund financial statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of DeWitt LDC, like other component units of state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Town of DeWitt LDC does not have any finance-related legal requirements for funds, as such maintains its books and records consistent with other proprietary funds, which is on a basis consistent with business-type activities. The Town of DeWitt LDC's financial statements are considered a proprietary fund (enterprise fund) which is the same information as presented within the Statements of Financial Position and Statements of Activities.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide financial statements. The notes to the financial statements can be found on pages 9 through 15 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the Town of DeWitt LDC's financial position. In the case of the Town of DeWitt LDC, assets exceeded liabilities and deferred inflows of resources by \$288,922 as of December 31, 2013. This entire net position balance is restricted for debt service.

The Town of DeWitt LDC's only fund is treated as a proprietary (business-type) fund. The following are summarized versions of the government-wide financial statements for 2013 and 2012.

	Net Position	
	2013	2012
Assets		
Cash and cash equivalents	\$ -	\$ 12,487
Restricted cash for bonds	348,245	348,245
Lease receivable	4,504,688	4,849,863
Due from other governments	3,458	-
Total assets	\$ 4,856,391	\$ 5,210,595
Liabilities		
Bonds payable	\$ 3,415,000	\$ 3,610,000
Accounts payable and accrued interest payable	62,781	75,061
Total liabilities	3,477,781	3,685,061
Deferred Inflows of Resources		
Unearned income from lease	1,089,688	1,239,863
Net position		
Restricted for debt service	348,245	348,245
Unrestricted	(59,323)	(62,574)
Total net position	\$ 288,922	\$ 285,671

TOWN OF DEWITT LOCAL DEVELOPMENT CORPORATION
Management's Discussion and Analysis
For the Year Ended December 31, 2013 (unaudited)

LEASE RECEIVABLE

The lease receivable represents the lease with the Town of Dewitt for the fire station / community center which was constructed by the Town of Dewitt Local Development Corporation. The lease with the Town of Dewitt represents a direct financing type lease and was structured to mirror the required payments on the bonds issued to finance the construction of the project.

BONDS PAYABLE

Bonds were issued to finance the construction of the fire station/community center and are long term obligations of the Town of Dewitt Local Development Corporation. The total original principal of such bonds was \$4,655,000 and the remaining principal owed as of December 31, 2013 is \$3,415,000. Bond principal payments are made annually on August 1st with interest payments made semiannually on both August 1st and February 1st. As discussed earlier, the monies to repay the bonds comes from a lease agreement with the Town of Dewitt whereby such lease agreements' payments are the same as required by the outstanding bonds.

A summary of the change in net position is as follows:

	2013	2012
Change in Net Position		
Revenues:		
Lease income	\$ 150,175	\$ 157,300
Lease executory cost reimbursements	75,845	55,761
Total revenues	226,020	213,061
Expenses:		
Home and community services	75,845	66,818
Interest expense	146,924	156,954
Total expenses	222,769	223,772
Change in net position	3,251	(10,711)
Net position at beginning of year, as restated	285,671	296,382
Net position at end of year	\$ 288,922	\$ 285,671

REQUEST FOR INFORMATION

This financial report is designed to provide readers with a general overview of the Town of DeWitt LDC's finances. If you have questions about this report or need additional information, contact the board at the Town of DeWitt Local Development Corporation, 5400 Butternut Drive, East Syracuse, NY 13057 or email at comptroller@townofdewitt.com. You can also visit our website at www.townofdewitt.com for further information.

TOWN OF DEWITT LOCAL DEVELOPMENT CORPORATION
Statements of Net Position

	December 31,	
	2013	2012
Assets		
Current assets:		
Cash and cash equivalents	\$ -	\$ 12,487
Restricted cash for bonds	348,245	348,245
Lease receivable	347,375	345,175
Due from other governments	3,458	-
Total current assets	<u>699,078</u>	<u>705,907</u>
Lease receivable, net of current portion	<u>4,157,313</u>	<u>4,504,688</u>
Total assets	<u>\$ 4,856,391</u>	<u>\$ 5,210,595</u>
Liabilities		
Current liabilities:		
Bonds payable, current portion	\$ 205,000	\$ 195,000
Accrued interest payable	59,323	62,573
Accounts payable	3,458	12,488
Total current liabilities	<u>267,781</u>	<u>270,061</u>
Noncurrent liabilities:		
Bonds payable, net of current portion	<u>3,210,000</u>	<u>3,415,000</u>
Total liabilities	<u>3,477,781</u>	<u>3,685,061</u>
Deferred inflows of resources:		
Unearned income from lease	<u>1,089,688</u>	<u>1,239,863</u>
Net position		
Restricted for debt service	348,245	348,245
Unrestricted	(59,323)	(62,574)
Total net position	<u>288,922</u>	<u>285,671</u>
	<u>\$ 4,856,391</u>	<u>\$ 5,210,595</u>

TOWN OF DEWITT LOCAL DEVELOPMENT CORPORATION
Statements of Revenues, Expenses, and Changes in Fund Position

	Years Ended December 31,	
	2013	2012
Revenues:		
Lease income	\$ 150,175	\$ 157,300
Lease executory cost reimbursements	<u>75,845</u>	<u>55,761</u>
	226,020	213,061
Expenses:		
Home and community services	75,845	66,818
Interest expense	<u>146,924</u>	<u>156,954</u>
Total expenses	<u>222,769</u>	<u>223,772</u>
Change in net position	3,251	(10,711)
Net position - beginning of year, as restated	<u>285,671</u>	<u>296,382</u>
Net position - end of year	<u><u>\$ 288,922</u></u>	<u><u>\$ 285,671</u></u>

TOWN OF DEWITT LOCAL DEVELOPMENT CORPORATION
Statements of Cash Flows – Proprietary Fund

	Years Ended December 31,	
	2013	2012
Cash flows provided by (used in) operating activities:		
Cash received from lease	\$ 345,175	\$ 347,300
Cash received for lease executory costs	75,845	55,761
Cash payments - administrative expenses	(72,170)	(67,163)
Cash payments - insurance	(16,162)	(9,999)
Cash payments - interest	(150,175)	(157,300)
Net cash provided by operating activities	<u>182,513</u>	<u>168,599</u>
Cash flows used in financing activities:		
Repayment of bonds	<u>(195,000)</u>	<u>(190,000)</u>
Net decrease in cash and cash equivalents	(12,487)	(21,401)
Cash and cash equivalents - beginning of fiscal year	<u>12,487</u>	<u>33,888</u>
Cash and cash equivalents - end of fiscal year	<u>\$ -</u>	<u>\$ 12,487</u>
Reconcile change in net assets to net cash provided by operating activities:		
Change in net position	\$ 3,251	\$ (10,711)
Change in assets and liabilities:		
Lease receivable	345,175	347,300
Unearned income from lease	(150,175)	(157,300)
Due from other governments	(3,458)	(11,888)
Accounts payable	(9,030)	1,545
Accrued interest payable	<u>(3,250)</u>	<u>(347)</u>
Net cash provided by operating activities	<u>\$ 182,513</u>	<u>\$ 168,599</u>

TOWN OF DEWITT LOCAL DEVELOPMENT CORPORATION
Notes to Financial Statements

1. Organization and Significant Accounting Policies

On July 20, 2006, the Town of DeWitt (the Town) formed the Town of DeWitt Local Development Corporation (the Town of DeWitt LDC) under section 402 of the Not-for-Profit Corporation Law of the State of New York. The main purpose of the Town of DeWitt LDC is to improve the quality of life for DeWitt residents and businesses. The Town of DeWitt LDC is a governmental not-for-profit corporation exempt from federal income tax under Section 115 of the Internal Revenue Code and under Section 402 and 1411 of the New York Not-For-Profit Corporation Law.

In conformity with the provisions of GASB statement No. 61, "The Financial Reporting Entity: Omnibus", the Town has included financial information for the Town of DeWitt LDC as a discreetly presented component unit since the Town of Dewitt LDC is fiscally dependent on the Town.

The Town of DeWitt LDC is considered a public authority and is subject to rules and regulations of the New York State Public Authorities Act of 2009. The Corporation must provide various reports to New York State officials on a frequent basis. Failure to follow public authority regulations or to provide accurate and timely information to the New York State officials could impair the ability for the Corporation to act under the public authority laws of the State of New York.

The New York State Authorities Budget Office (ABO) was created as an independent office pursuant to Chapter 506 of the New York State Laws of 2009. As of January 24, 2014 (being the most recent notification), the ABO reported pursuant to the Public Authorities Law that the Town of Dewitt LDC was not compliant with various reporting requirements for public authorities. In addition, by letter dated October 2, 2012, the ABO publicly censured the Town of Dewitt LDC for being out of compliance with various filing requirements of public authorities. It is unknown what impact these noncompliance matters may have on the ability for the Town of Dewitt LDC to carry out its business.

Governance

All business affairs and activities of the corporation are managed by its Board of Directors. Board members consist of the Supervisor of the Town, the Town attorney, two appointees of the Town Board, and the Mayor of the Village of East Syracuse (the Village).

Basis of Presentation

The basic financial statements of the Town of DeWitt LDC have been prepared in accordance with accounting principles generally accepted in the United States of America 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. All of the Town of DeWitt LDC funds are proprietary funds, and, therefore, include only business-type activities. There are no material differences between a) net position and fund balances, and b) changes in net position and changes in fund balances, and, therefore, no reconciliation schedules of these items are included in this report.

TOWN OF DEWITT LOCAL DEVELOPMENT CORPORATION
Notes to Financial Statements

1. Organization and Significant Accounting Policies (continued)

Agency-wide financial statements – The government-wide financial statements include the Statements of Net Position and the Statements of Activities. These statements report financial information for the Town of DeWitt LDC as a whole. Individual funds are not presented in the government-wide financial statements. The Town of DeWitt LDC has determined that all of its activities are business-type, which are predominantly or entirely financed with transfers from the Town.

Net Position Classifications

Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – Consists of assets that have constraints placed on the use of these resources that are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.

Unrestricted - Consists of all other net position that do not meet the definition of "restricted" or "net investment in capital assets."

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

For the year ended December 31, 2013, the Town of DeWitt LDC adopted GASB No. 65, *Items Previously Reported as Assets and Liabilities* effective January 1, 2013. The adoption of this statement resulted in the previously recorded net deferred financing costs of \$137,956 as of December 31, 2012 to be expensed in accordance with GASB No. 65. The beginning of the year net position was restated in accordance with GASB No. 65 to reflect the change in accounting principle. This resulted in the beginning of the year net position to be reduced by \$137,956 as of January 1, 2012 to conform to the required change in accounting principle.

The government-wide statements use the economic resources measurement focus and the accrual basis of accounting generally including the reclassification or elimination of internal activity. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Cash and Cash Equivalents

The Town of DeWitt LDC considers all short-term investments purchased with an original maturity of three months or less to be cash equivalents which consist primarily of U.S. Treasury Money Market funds at December 31, 2013 and 2012. All cash is pooled in an overall Town account.

TOWN OF DEWITT LOCAL DEVELOPMENT CORPORATION
Notes to Financial Statements

1. Organization and Significant Accounting Policies (continued)

Restricted Cash for Bonds

The Town of DeWitt LDC has a requirement related to its bonds outstanding (Lease Appropriation Revenue Bonds, Series 2006 – original principal of \$4,655,000) to have a reserve fund established and maintained which is restricted for the bonds. This reserve was \$348,175 as of December 31, 2013 and 2012.

Capital Assets

Capital assets which include property and equipment are stated at cost. Depreciation is provided over the estimated useful life on a straight-line basis. Useful lives range from ten to thirty years. Repairs and maintenance are charged to expense as incurred. Major betterments are capitalized.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

Income Tax

The Town of DeWitt LDC is tax-exempt under Section 115 of the Internal Revenue Code. The Town of DeWitt LDC is exempted from filing tax returns and has not filed any tax returns for either federal or New York State income taxes. The Town of DeWitt LDC does not believe it has any uncertain tax positions as its income is not subject to income tax.

Reclassification

The Town of Dewitt LDC reclassified its cash and cash equivalents and retitled this amount as restricted cash for bonds to better reflect the restricted nature of this account balance. This restricted cash is a requirement of the Lease Appropriation Revenue Bonds, Series 2006. This restricted cash of \$348,175 cannot be used for operating purposes.

TOWN OF DEWITT LOCAL DEVELOPMENT CORPORATION
Notes to Financial Statements

2. Restatements

- (A) The Town of Dewitt LDC adopted the provisions of Governmental Accounting Standards Board ("GASB") No. 65, *Items Previously Reported as Assets and Liabilities* in 2013. The adoption of GASB No. 65 requires that financing costs be expensed as incurred rather than the past accounting practice of deferring such financing costs and amortizing such financing costs over the term of the outstanding bonds. In accordance with GASB No. 65, the amount of net deferred financing costs of \$137,956 as of December 31, 2012 have been expensed and are reflected as a prior period adjustment in according with GASB No. 65.
- (B) The Town of Dewitt LDC adopted the provisions of GASB No. 62, *Codification of Accounting and Financing Reporting Guidance, contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* on January 1, 2012 but in error did not apply the accounting principles of GASB No. 62 correctly to a lease agreement it had outstanding in 2012. The Town of Dewitt LDC had constructed a fire station/community center which was completed in early 2007 for which the Town of Dewitt LDC had issued \$4,655,000 of bonds to pay for the construction. The Town of Dewitt LDC in connection with the bond issuance entered into a lease agreement with the Town of Dewitt on July 1, 2006 which was structured to allow the lease payments from the Town of Dewitt to equal the principal and interest of the \$4,655,000 bonds as they became due. In accordance with GASB No. 62 this lease agreement represents a capital lease between the Town and the Town of Dewitt LDC. This transaction was previously accounted for as an operating lease. The accounting for this transaction as a capital lease removes the net capital assets of \$3,334,073 and records the related direct financing type capital lease of \$4,849,863 as a lease receivable and a deferred inflow of resources representing unearned income from the lease of \$1,239,863 as of December 31, 2012. This represents an overall net increase to net position of \$275,927 as of December 31, 2012.

3. Lease Receivable

The Town of Dewitt LDC has a direct financing type capital lease with the Town of Dewitt related to the fire station/community center which was completed in 2007. The lease was structured to allow the lease payments from the Town of Dewitt to equal the principal and interest of the \$4,655,000 bonds as they became due. A summary of the lease receivable is as follows:

	2014	\$	347,375
	2015		344,175
	2016		345,775
	2017		346,975
	2018		347,775
	Thereafter		2,772,613
		\$	4,504,688
Due in one year			347,375
		\$	4,157,313

TOWN OF DEWITT LOCAL DEVELOPMENT CORPORATION
Notes to Financial Statements

3. Lease Receivable (continued)

The lease also has a fiscal funding/cancellation clause that states the lease is only an obligation of the Town to the extent monies are appropriated and available for the purpose of this lease. The Town of Dewitt LDC has evaluated this fiscal funding/cancellation clause and believes cancellation is remote. As such, the lease is considered non-cancelable and in accordance with accounting standards has been recognized as a direct financing type capital lease.

Lease executory costs, including maintenance of the leased property, utilities, insurance and other costs are also required to be paid by the Town of Dewitt per the lease agreement. These costs are billed annually and totaled \$75,845 and \$55,761 for the years ended December 31, 2013 and 2012, respectively.

4. Unearned Income from Lease

In connection with the direct financing type capital lease, the Town of Dewitt LDC recorded unearned income related to the lease which represents the difference between the gross investment in the lease and the cost of the leased property. This difference was \$2,272,934 and is being amortized into income over the implicit rate of the lease which is the same as the actual interest payments on the \$4,655,000 bonds outstanding. A summary of the unearned income from lease is as follows:

	2014		\$	142,375
	2015			134,175
	2016			125,775
	2017			116,975
	2018			107,775
	Thereafter			462,613
			\$	1,089,688
Earned in one year				142,375
			\$	947,313

5. Bonds Payable

On July 27, 2006, the Town of DeWitt LDC issued Lease Appropriation Revenue Bonds on behalf of the Village of East Syracuse in the amount of \$4,655,000. Bonds were issued to finance and cause the development, construction and operation of a multi-purpose building, including a fire station and community facility and acquire and install certain machinery and equipment. The bonds are limited obligations of the Town of DeWitt LDC secured by revenue and funds pledged, including rental payments to be made by the Town under a lease agreement. Construction commenced during 2006, and the building was completed in 2007. A summary of the payments made on the bond is as follows:

December 31, 2012	Payments	December 31, 2013	Due Within One Year
\$ 3,610,000	\$ (195,000)	\$ 3,415,000	\$ 205,000

TOWN OF DEWITT LOCAL DEVELOPMENT CORPORATION
Notes to Financial Statements

5. Bonds Payable (continued)

The following is a summary of future debt service payments:

<u>Due in</u>	<u>Interest Rate</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2014	4.00%	205,000	142,375	347,375
2015	4.00%	210,000	134,175	344,175
2016	4.00%	220,000	125,775	345,775
2017	4.00%	230,000	116,975	346,975
2018	4.00%	240,000	107,775	347,775
2019-2023	4.00%-4.25%	1,355,000	380,375	1,390,000
2024-2026	4.25%	955,000	82,238	1,730,388
		<u>\$ 3,415,000</u>	<u>\$ 1,089,688</u>	<u>\$ 4,852,463</u>

The Bonds are secured by the land, building, equipment and the lease of the facility by the Town of Dewitt. Principal payments are due each August 1st and interest payments are due each August 1st and February 1st each year. The Bonds have various covenants that are required to be met. One of these requirements is that the audited financial statements of both the Town of Dewitt LDC and the Town of Dewitt must be delivered to all the nationally recognized municipal securities information repositories within 120 days of the end of the fiscal year (April 30th of the following year). The Town of Dewitt's audited financials have not been delivered timely and as such this could be deemed an event of default for the bonds. The occurrence and continuance of an event of default may allow the trustee for the bonds to declare the bond indebtedness immediately due and payable and the lease with the Town of Dewitt would also be declared immediately due and payable. As of April 21, 2014, the trustee has not declared the lack of providing the audited financial statements an event of default under the bond agreement.

6. Concentrations of Credit Risk

The Town of DeWitt LDC maintains cash balances at several financial institutions located in central New York. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000, at various times throughout the year the balances may exceed the FDIC insurance limit.

Approximately 20% and 80% of all revenues were received from the Town of DeWitt General Fund and the Town of Dewitt Fire Protection District Fund, respectively, for both years ended December 31, 2013 and 2012. This allocation is based on the square footage breakdown between the facility used by the Town for community events and the facility subleased to the East Syracuse Volunteer Fire Department for use in connection with its provision of fire protection services in accordance with the Contract for Fire Protection.

TOWN OF DEWITT LOCAL DEVELOPMENT CORPORATION
Notes to Financial Statements

7. Related Parties

The Town of DeWitt LDC Board is mainly comprised of Town officials and members appointment by the Town Board. The Town of DeWitt LDC has a lease agreement with the Town. Payments from the Town approximated \$423,000 and \$403,000 for the years ended December 31, 2013 and 2012, respectively.

The Village's mayor also presides on the Town of DeWitt LDC Board. The East Syracuse Volunteer Fire Department occupies and operates the fire station and provides fire protection services to part of the Town. It was the Village's intention to assist in the facilitation of financing by authorizing the Town of DeWitt LDC to convey title of the land, building, building improvement and machinery and equipment to the Village on the retirement of the Bonds.

8. Subsequent Events

In preparing financial statements, management of the Town of DeWitt LDC has evaluated events and transactions for potential recognition or disclosure through April 21, 2014, the date the financial statements were available to be issued. There were no additional events or transactions that were discovered during the evaluation that required further disclosure.