

**BUSINESS DEVELOPMENT CORPORATION FOR A GREATER
MASSENA, INC.**

Financial Statements

December 31, 2015

BARBARA S. DWYER

Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT

To The Board of Directors
Business Development Corporation for a Greater Massena, Inc.
Massena, New York 13662

Report on the Financial Statements

I have audited the accompanying financial statements of the Business Development Corporation for a Greater Massena, Inc., (a not for profit corporation) as of and for the years ended December 31, 2015 and December 31, 2014 and the related notes to the financial statements, which collectively comprise of the Corporation'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 misstatements, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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 misstatements 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 entity's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Business Development Corporation for a Greater Massena, Inc., as of December 31, 2015 and December 31, 2014, and the respective changes in financial position and cash flows, where applicable, thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages MDA 5 to MDA 8 and page 15, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government 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. I 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 I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Business Development Corporation for a Greater Massena, Inc.'s basic financial statements. The supplementary schedules of detailed expenses and actual versus budget comparison are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the supplementary schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report dated February 9, 2016, on my consideration of the Agency's internal control over financial reporting and on my 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 my 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 Business Development Corporation for a Greater Massena, Inc.'s internal control over financial reporting and compliance.


Barbara S. Dwyer, CPA

Lake Placid, New York
February 9, 2016

BARBARA S. DWYER

Certified Public Accountant

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

To the Board of Directors
Business Development Corporation for a Greater Massena, Inc.
Massena, New York

I 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, the aggregate information of Business Development Corporation for a Greater Massena, Inc. as of and for the years ended December 31, 2015 and December 31, 2014 which collectively comprise the Corporation's basic financial statements, and have issued my report thereon dated

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered Business Development Corporation for a Greater Massena, Inc.'s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of opinion on the effectiveness of Business Development Corporation for a Greater Massena, Inc.'s internal control. Accordingly, I do not express an opinion on the effectiveness of Business Development Corporation for a Greater Massena, Inc.'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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Agency'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.

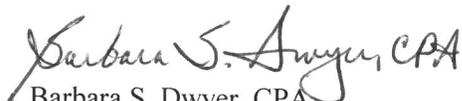
My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given the limitations, during my audit I did not identify any deficiencies in the internal control over financial reporting that I consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free of material misstatements, I 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 statements amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my 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 my 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.


Barbara S. Dwyer, CPA

Lake Placid, New York
February 9, 2016

Business Development Corporation for a Greater Massena, Inc.

Management's Discussion and Analysis December 31, 2015 and December 31, 2014

The management of the Business Development Corporation for a Greater Massena, Inc., a local development corporation, (the Agency) offers readers of the Agency's financial statements this narrative discussion, overview, and analysis of the financial activities of the Agency for the fiscal year ending December 31, 2015. The Agency's financial performance is discussed and analyzed within the context of the accompanying financial statements and disclosure following this section.

Financial Highlights

The Business Development Corporation for a Greater Massena, Inc.'s assets exceeded its liability by \$792,466 for the fiscal year ended December 31, 2015. This compares to the previous year when assets exceeded liabilities by \$364,903.

Total net assets comprise the following:

1. Capital assets of \$716,700, net of accumulated depreciation, \$199,286.
2. Unrestricted net assets of \$67,461 represents the portion available to continue the Agency's objectives to stimulate economic development in Massena, New York.

Total liabilities of the Agency increased \$581 to \$2,126 during the fiscal year.

Revenues for the year ended December 31, 2015, totaled \$532,483 of which \$87,500 was Town and Village support, \$444,725 was grants, \$258 was interest income.

Overview of the Financial Statements:

The Agency's basic financial statements consist of four components; 1) the Management's Discussion and Analysis, 2) Financial statements, 3) Notes to the financial statements and 4) Supplemental information. Because the Agency is a special-purpose government agency engaged in business-type activities only, the financial statements are presented in accordance with paragraph 138 of GASB Statement 34. In addition to the financial statements, this report contains other supplemental information that will enhance the reader's understanding of the financial condition of the Agency. In addition to the management's discussion and analysis, management has prepared the Statement of Net Position, the Statement of Revenues, Expenses, and Change in Net Position, and the Statement of Cash Flows, following the Management Discussion and Analysis.

Overview of the Agency:

The Agency's primary mission is to encourage economic growth and expansion through financial incentives, thus advancing job opportunities, health, general prosperity, and the economic welfare of the people of Massena, New York. The Agency's operations are funded entirely through Town and Village support, grants, fees, rents and interest income.

Business Development Corporation for a Greater Massena, Inc.

Management's Discussion and Analysis
December 31, 2015 and December 31, 2014

Notes to the Financial Statements:

The next section of the financial statements is the notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. The notes to the financial statements are on pages 11 through 12 of this report. After the notes, the supplemental information is provided to show details about the Agency's bonds and budget analysis.

Budgetary Highlights

The operating budget for the Agency was \$108,000 for the fiscal year ended December 31, 2015. Operating revenues were \$424,483 more than budget. Operating expenses were \$7,720 more than budget.

Financial Analysis

The Agency's comparative net assets are as follows:

The Agency's Net Assets

	<u>2015</u>	<u>2014</u>
Current Assets	\$ 77,892	195,159
Capital Assets, net	<u>716,700</u>	<u>368,793</u>
Total Assets	794,592	563,952
Current liabilities	<u>2,126</u>	<u>199,049</u>
Net Position	<u>792,466</u>	<u>364,903</u>
Total Net Position	\$ <u>792,466</u>	<u>364,903</u>

The Net Position may serve over time as one useful indicator of a government's financial condition. The assets of the Agency exceeded liabilities by \$790,429 as of December 31, 2015. The Agency's net assets increased by \$425,526 for the year ended December 31, 2015. The largest portion of net assets (90.42%) reflects the Agency's investment in capital assets, net of depreciation.

Business Development Corporation for a Greater Massena, Inc.

Management's Discussion and Analysis
December 31, 2015 and December 31, 2014

The Agency's Revenue and Expenses

	<u>2015</u>	<u>2014</u>
Operating Revenues:		
Town and Village Allocation	\$ 87,000	105,000
Grants	444,725	95,635
Net sales of lots	<u>-</u>	<u>23,101</u>
Total Operating Revenues	532,225	223,736
Other Revenues:		
Interest Income	259	359
Other Revenue	<u>-</u>	<u>670</u>
Total Other Revenue	<u>259</u>	<u>1,029</u>
Total Revenue	532,484	224,765
Operating Expenses:		
Personal Services	63,387	62,305
Administration	14,978	12,024
Program Expenses	17,845	83,062
Depreciation expense	<u>8,710</u>	<u>17,271</u>
Total Operating Expenses	<u>104,920</u>	<u>174,662</u>
Net Income (Loss)	<u>\$427,563</u>	<u>50,103</u>

Capital Assets

The Business Development Corporation for a Greater Massena, Inc.'s investment in capital assets, net of accumulated depreciation, for business-type activities as of December 31, 2015, was \$716,700. This investment in capital assets includes land, improvements, furniture and fixtures and construction in progress. The total increase in the Agency's investment in capital assets for the 2015 fiscal year of \$347,907 was due to the capital investment in the rail spur less the annual depreciation, and for the 2014 fiscal year of \$17,271 was due to the annual depreciation. Also, the value of the land decreased due to the cost allocation of \$2,000 for the parcel sold in the 2014 fiscal year.

	<u>2015</u>	<u>2014</u>
<u>Nondepreciable:</u>		
Land	\$ 3,143	3,143
Construction in progress/Rail Spur	608,958	252,341
<u>Depreciable:</u>		
Industrial Park Infrastructure	235,417	235,417
Furniture and Fixtures	31,438	31,438
Equipment		
Marketing video	23,500	23,500
Exhibit booth	9,309	9,309
Signage	4,221	4,221
Accumulated Depreciation	<u>(199,286)</u>	<u>(190,576)</u>
Total	\$ <u>716,700</u>	<u>368,793</u>

Business Development Corporation for a Greater Massena, Inc.

Management's Discussion and Analysis
December 31, 2015 and December 31, 2014

Significant Events

The Agency continued in fiscal year 2014 the construction of a rail spur to the Massena Industrial Park in partnership with CSX and Curran Renewables, a business located at the Park. CSX built to the switch mechanism. Curran Renewables built up the rail bed on its property and the small lot acquired from the Agency. The Agency is building between the two projects to connect the rail spur. The Agency has a New York State Department of Transportation grant to cover 90% of its expense. The grant will reimburse the Agency its cost when the project is completed in 2015. Meanwhile, the St. Lawrence River Redevelopment Association has extended a no interest line of credit to the Agency to provide additional cash for the project.

In fiscal year 2015, the rail spur to the Massena Industrial Park was completed. The Agency's total investment in the rail spur was \$608,958. The Agency also repaid the no interest line of credit extended by St. Lawrence River Redevelopment Association. The Agency is negotiating with other parties for use of the rail spur.

Economic Factors and Next Year's Budget and Rates

The purpose of the Business Development Corporation for a Greater Massena, Inc. is to promote, develop, encourage and assist in economic development and job creation in Massena, New York.

Contacting the Agency's Financial Management

This financial report is designed to provide a general overview of the Business Development Corporation for a Greater Massena, Inc.'s finances, comply with finance-related laws and regulations, and demonstrate the Agency's commitment to public accountability. If you have questions about this report or would like to request additional information, contact the Agency's administration at PO Box 5217, Massena, New York 13662.

BUSINESS DEVELOPMENT CORPORATION FOR A GREATER MASSENA, INC.
Statements of Net Position

ASSETS	<u>2015</u>	<u>2014</u>
Current Assets		
Cash-Unrestricted	\$ 16,098	13,392
Cash-Grant Funds	1,000	7,727
Money Market Account	58,757	174,040
Account Receivable- Insurance	<u>2,037</u>	<u>-</u>
Total Current Assets	77,892	195,159
Land, Infrastructure, Furniture and Equipment		
Land	3,143	3,143
Rail spur	608,958	-
Construction in Progress (Note 3)	-	252,341
Industrial Park Infrastrucure	235,417	235,417
Furniture and Fixtures	31,438	31,438
Marketing Video	23,500	23,500
Exhibit Booth	9,309	9,309
Signage	<u>4,221</u>	<u>4,221</u>
Total Land, Infrastructure, Furniture and Equipment	915,986	559,369
Less: Accumulated Depreciation	<u>(199,286)</u>	<u>(190,576)</u>
Net Land, Infrastructure, Furniture and Equipment	<u>716,700</u>	<u>368,793</u>
TOTAL ASSETS	<u>\$ 794,592</u>	<u>563,952</u>
LIABILITIES AND NET POSITION		
Current Liabilities		
Accrued payroll taxes	\$ 2,126	1,545
Line of credit- St. Lawrence River Valley Redevelopment Association (Note 3 and 4)	<u>-</u>	<u>197,504</u>
Total Current Liabilities	<u>2,126</u>	<u>199,049</u>
Total Liabilities	<u>2,126</u>	<u>199,049</u>
Net Position		
Unrestricted Net Position	67,461	(23,140)
Net investment in capital position	716,700	368,793
Assigned Net Position	<u>8,305</u>	<u>19,250</u>
Total Net Position	<u>792,466</u>	<u>364,903</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 794,592</u>	<u>563,952</u>

BUSINESS DEVELOPMENT CORPORATION FOR A GREATER MASSENA, INC.
Statements of Revenues, Expenses, and changes in Net Position

	Year ended December 31	
	<u>2015</u>	<u>2014</u>
REVENUES:		
Town of Massena	\$ 75,000	75,000
Village of Massena	12,500	30,000
Grants	444,725	95,635
Sale of Lots, net	-	23,101
Miscellaneous support	-	670
Interest Income	<u>258</u>	<u>359</u>
TOTAL SUPPORT	532,483	224,765
EXPENSES:		
Personnel expenses	63,387	62,305
Marketing expenses	1,961	1,272
Conference, Trade Shows and Travel	75	1,000
Administrative expenses	14,978	12,024
Industrial Park expenses	4,864	547
Grant administration expense	10,945	80,243
Depreciation expense	<u>8,710</u>	<u>17,271</u>
TOTAL EXPENSES	<u>104,920</u>	<u>174,662</u>
CHANGE IN NET POSITION	427,563	50,103
Net Position, beginning of year	<u>364,903</u>	<u>314,800</u>
Net Position, end of year	<u>\$ 792,466</u>	<u>364,903</u>

See accompanying notes to financial statements

BUSINESS DEVELOPMENT CORPORATION FOR A GREATER MASSENA, INC.
Statements of Cash Flows

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Town and Village of Massena	\$ 87,500	105,000
Receipts from Grants	444,725	95,635
Receipts from Sale of lots, net	-	23,101
Receipts from other support	-	670
Receipts from interest income	258	359
Payment for personnel expenses	(63,387)	(62,305)
Payment for marketing expense	(2,036)	(2,272)
Payment for administrative expenses	(14,978)	(12,024)
Payment for industrial park expenses	(4,864)	(547)
Payment for grant administration	(10,945)	(80,243)
Increase in accounts receivable	(2,037)	-
Increase in accrued payroll taxes	581	334
Net cash from operating activities	<u>434,817</u>	<u>67,708</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Proceeds from sale of lots	-	2,000
Investments in construction in progress/rail spur	(356,617)	(215,351)
Acquisition of capital assets	-	(1,529)
Proceeds from line of credit	<u>(197,504)</u>	<u>197,504</u>
Net cash used by capital financing activities	<u>(554,121)</u>	<u>(17,376)</u>
Net increase (decrease) in cash and cash equivalents	(119,304)	50,332
Cash and cash equivalents at beginning of period	<u>195,159</u>	<u>144,827</u>
Cash and cash equivalents at end of period	<u>\$ 75,855</u>	<u>195,159</u>
Cash Summary:		
Cash	\$ 67,820	175,909
Restricted Cash	<u>8,035</u>	<u>19,250</u>
	<u>\$ 75,855</u>	<u>195,159</u>
Reconciliation of net income to cash provided by operating activities:		
Change in net position	427,563	50,103
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	8,710	17,271
Change in assets and liabilities:		
Increase in accounts receivable	(2,037)	-
Increase in rail spur	(356,617)	-
Increased in accrued liabilities	581	334
Decrease in line of credit	<u>(197,504)</u>	<u>-</u>
Net Cash Provided (used) by Operating Activities	<u>\$ (119,304)</u>	<u>67,708</u>

See accompanying notes to financial statements

BUSINESS DEVELOPMENT CORPORATION FOR A GREATER MASSENA, INC.

Notes to Financial Statements

December 31, 2015 and December 31, 2014

Note 1: **ORGANIZATION**

The Business Development Corporation for a Greater Massena, Inc. (the Agency) is a local development corporation under New York State not for profit law. The Town of Massena and the Village of Massena have appointees to the Agency's Board of Directors and the Agency is governed by its Board of Directors.

The Agency also may purchase, develop, manage, sell and lease real property, including land and buildings, for the purpose of creating jobs and serving the public welfare generally. The real property used for such public purpose is exempt from property tax by law. The Agency can also loan funds and administer those loans to businesses to promote economic development. The Agency can administer grants which promote economic development.

Note 2: **SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Agency have been prepared on the accrual basis of accounting. The Agency follows the standards for external financial reporting by not-for-profit organizations which requires that resources be classified for accounting and reporting purposes into three net asset categories according to grant imposed restrictions.

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of grant imposed restrictions. Accordingly, net assets of the Agency and changes therein are classified and reported as follows:

- **Unrestricted net assets** include net assets that are not subject to grant or Board imposed stipulations.
- **Temporarily restricted net assets** include net assets subject to grant or Board imposed stipulations that may or will lapse either by actions of the Agency and/or the passage of time.
- **Permanently restricted net assets** include net assets subject to grant imposed restrictions with the intent that the Agency maintains the net assets permanently. Generally, the grantors of these assets permit the Agency to use all of the income earned or realized on related investments for general or specific purposes.

Revenues and Expenses

Revenues are reported as increase in unrestricted net assets unless use of the related assets is limited by grant-imposed restrictions. Expenses are reported as decreases in unrestricted net assets.

Cash and Cash Equivalents

The Agency considers cash and any appropriate investment with the initial maturity date of three months or less to be cash and cash equivalents. Funds are segregated in separate accounts as requested by granting agencies.

Donated Services

The Agency has not received any donated services or goods. Thus, none has been reflected in the financial statements.

BUSINESS DEVELOPMENT CORPORATION FOR A GREATER MASSENA, INC.

Notes to Financial Statements

December 31, 2015 and December 31, 2014

Note 2: **SIGNIFICANT ACCOUNTING POLICIES CONTINUED**

Land, Infrastructure, Furniture and Equipment

Land, infrastructure, furniture and equipment are recorded at cost and include expenditures for new improvements that substantially increase the useful lives of existing infrastructure and equipment. Expenditures in the nature of normal repairs and maintenance are accounted for as expenses in the statement of activities of unrestricted net assets. Depreciation of infrastructure and equipment is provided over the estimated useful lives of the respective assets on a straight-line basis. Depreciation is recognized on general operating assets and industrial projects with current earnings. Assets in excess of \$1,000 are capitalized.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and applicable disclosures at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates of the Corporation and other revenues from nonexempt sources.

Note 3: **TAX EXEMPT STATUS**

The Agency has received tax exempt status from the Internal Revenue Service under Section 501(c)(4), an organization whose purpose is to promote the common good and general welfare of the community. In this case, the Agency is to promote the community for economic development and job creation.

Note 4: **CONSTRUCTION IN PROGRESS**

The Agency is in the process of completing a rail spur to its Industrial Park. This rail spur is being built with the cooperation of CSX and Curran Renewable Energy, Inc. CSX purchased .16 acres from the Agency and secured an easement to run the line to a switch. Curran Renewable Energy, Inc. also bought a parcel from the Agency which it had improved to be a reliable rail bed for the spur. The Agency will build the rail spur from the switch to the Industrial Park.

The Agency has been awarded a grant from New York State Department of Transportation which will pay 90% or \$318,600 of the project's total costs of \$354,000. The Agency will not receive the grant funds until the project is completed. In the interim, the Agency received a line of credit in the amount of \$197,504 from the St. Lawrence River Valley Redevelopment Association at no interest. The Agency has funds available to advance for the balance of the cost of the project.

The Construction in Progress balance of \$252,343 includes engineering costs related to the project. The anticipated completion date of the project was July 31, 2015. During the fiscal year 2015, the Agency completed the construction of the rail spur. The Agency's total investment was \$608,958. Total grant funds received were \$444,725. The line of credit was paid in full.

Note 5: **LINE OF CREDIT**

The St. Lawrence River Valley Redevelopment Association which is funded by the Power Authority of the State of New York has loaned the Agency \$197,504 for its rail spur project at the Massena Industrial Park. The Agency has a grant for this project from New York State Department of Transportation, but no funds will be forthcoming until the project is complete. There is no interest rate being charged on the line of credit.

The line of credit was repaid in full during the 2015 fiscal year.

BUSINESS DEVELOPMENT CORPORATION FOR A GREATER MASSENA, INC.

Notes to Financial Statements

December 31, 2015 and December 31, 2014

Note 6: ASSIGNED NET ASSETS

The Town of Massena granted to the Agency \$20,000 to be used to develop the downtown commercial area of Massena, New York. As of December 31, 2014, the assigned net position of \$19,250 represents the unexpended funds of a \$20,000 grant from the Town of Massena to be used to develop the downtown commercial area of Massena, New York. The only stipulation attached to the funds is that the funds cannot be applied to one project. Business and association request the funds from the Agency. During fiscal year 2014 \$750 was awarded to a downtown business group. During fiscal year 2015, \$10,945 of these funds were awarded to downtown businesses and a town festival. The assigned net position of these funds as of December 31, 2015 is \$8,305.

Note 7: OPERATION OF RAIL SPUR

A limited liability company (LLC) has been found to operate and manage the rail spur in the Industrial Park. The Agency is the single member of the LLC. The LLC will enter into contracts for use of the rail spur and have the responsibility to collect the revenues earned from the use of the rail spur. The revenues will pay for the operating costs and maintenance of the rail spur.

Note 8: COMMITMENTS

As of December 31, 2014 the Agency has been awarded grants which need to be fulfilled with the objective of stimulating economic growth and development. These grants were fulfilled in fiscal year 2015.

Note 9: SUBSEQUENT EVENTS

The Agency has evaluated events and transactions that occurred between December 31, 2014 and February 9, 2015 which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

BUSINESS DEVELOPMENT CORPORATION FOR A GREATER MASSENA, INC.
Schedules of Detailed Expenses

	<u>2015</u>	<u>2014</u>
Personal Expenses		
Salaries	\$ 57,007	55,839
Payroll tax expense	<u>6,380</u>	<u>6,466</u>
Total Personnel Expenses	<u>63,387</u>	<u>62,305</u>
Marketing Expenses		
Marketing	788	489
Supplies	<u>1,173</u>	<u>783</u>
Total Marketing Expenses	<u>1,961</u>	<u>1,272</u>
Conferences, Trade Shows and Travel		
Conference fees	-	215
Travel	75	264
Lodging	-	472
Meals	<u>-</u>	<u>49</u>
Total Conferences, Trade Shows and Travel	<u>75</u>	<u>1,000</u>
Administrative Expenses		
Dues	596	541
Insurance	8,148	5,256
Telephone	1,950	1,862
Postage	144	204
Accounting and legal fees	3,800	4,055
Office expense and equipment repair	250	-
Subscriptions and reference materials	-	79
Bank charges	<u>90</u>	<u>27</u>
Total Administrative Expenses	<u>14,978</u>	<u>12,024</u>
Industrial Park Expenses		
Professional fees	4708	-
Equipment rental and maintenance	-	270
Water and sewer rent	<u>156</u>	<u>277</u>
Total Industrial Park Expenses	<u>4,864</u>	<u>547</u>
Grant expense		
Regrant	-	75,635
Grant administration expense	-	3,858
Downtown grant expense	<u>10,945</u>	<u>750</u>
Total Grant Expense	<u>10,945</u>	<u>80,243</u>
Depreciation expense	<u>8,710</u>	<u>17,271</u>
Total Expenses	<u>\$ 104,920</u>	<u>174,662</u>

See accompanying notes to financial statements

BUSINESS DEVELOPMENT CORPORATION FOR A GREATER MASSENA, INC.

Actual versus Budget Comparison

Year ended December 31, 2015

	Actual	Budget	Over (Under)
SUPPORT:			
Town of Massena	\$ 75,000	75,000	-
Village of Massena	12,500	12,500	-
Grants	444,725	20,000	424,725
Interest Income	<u>258</u>	<u>500</u>	<u>(242)</u>
Total Support	532,483	108,000	424,483
EXPENDITURES:			
Personnel expenses	63,387	66,100	(2,713)
Marketing expenses	1,961	1,100	861
Conference, Trade Shows and Travel	75	775	(700)
Administrative expenses	14,978	13,575	1,403
Industrial Park expenses	4,864	6,650	(1,786)
Grant administration expense	10,945	-	10,945
Depreciation	<u>8,710</u>	<u>9,000</u>	<u>(290)</u>
Total Expenditures	<u>104,920</u>	<u>97,200</u>	<u>7,720</u>
CHANGE IN NET POSITION	427,563	10,800	416,763