

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

FINANCIAL STATEMENTS

DECEMBER 31, 2011

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of Wayne County Industrial Development Agency as of and for the year ended December 31, 2011, which collectively comprise the Agency's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Wayne County Industrial Development Agency's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wayne County Industrial Development Agency as of December 31, 2011, and the changes in its financial position and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 28, 2012, on our consideration of Wayne County Industrial Development Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of Revolving Loan Funds on pages 18 to 19 and the schedule of Project Information on pages 20 to 21 are presented for purpose of additional analysis and are not a required part of the financial statements of Wayne County Industrial Development Agency. The supplemental schedule of Revolving Loan Funds and the schedule of Project Information are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 information is fairly stated in all material respects, in relation to the financial statements taken as a whole.

EFP Rotenberg, LLP

EFP Rotenberg, LLP
Rochester, New York
March 28, 2012

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Management's Discussion and Analysis
For the Year Ended December 31, 2011

As management of the Wayne County Industrial Development Agency (the "Agency") we offer readers of the Agency's financial statements this narrative overview and analysis of the financial activities of the Agency for the year ended December 31, 2011. This narrative should be read in conjunction with the Agency's audited financial statements.

Financial Highlights

- The assets of the Agency exceed its liabilities (net assets) at December 31, 2011 by \$4,856,124. Of this amount, \$1,309,300 is *unrestricted net assets*, meaning that these amounts are available for use in furthering the Agency's mission.
- The Agency's liquidity remains strong with \$945,642 in unrestricted cash.
- An increase in loan demand resulted in an increase of \$330,145 or 13.9% in loans receivable net of the allowance.

Overview of the Financial Statements

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

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

- **Statements of Net Assets** - Presents all assets, liabilities and net assets of the Agency at December 31, 2011. The statement provides information about the amounts and investments in resources (assets) and the obligations to creditors (liabilities).
- **Statements of Activities** - Presents the financial activity for the years ended December 31, 2011 and displays how this activity changed the Agency's net assets. The statement provides information on the Agency's operations and can be used to determine if the Agency has recovered all of its costs through grants, user fees and other charges.
- **Statements of Cash Flows** - Presents the cash provided and used in operations, investments and financing activities during 2011 and how it affects the cash balance at December 31, 2011.
- **Notes to Financial Statements** - Provide information regarding the Agency and explain in more detail information included in the financial statements.

Financial Analysis

The Agency provides financial incentives and technical assistance to businesses moving to or expanding in Wayne County where job and capital creation will help improve the economic climate of the County. The Agency's net assets may serve over time as a useful indicator of its financial position. In the case of the Agency, assets exceeded liabilities by \$4,856,124 and \$4,574,354 at December 31, 2011 and 2010 respectively.

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

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

	<u>2011</u>	<u>2010</u>	<u>Dollar Change</u>	<u>% Change</u>	<u>2009</u>	<u>Dollar Change</u>	<u>% Change</u>
Assets							
Cash & cash equivalents	\$ 945.6	\$ 576.8	\$ 368.8	63.9	\$ 677.7	\$ (100.9)	(14.9)
Restricted cash	1,075.8	1,128.6	(52.8)	(4.7)	1,572.6	(444.0)	(28.2)
Loans receivable - net	2,708.7	2,378.5	330.2	13.9	1,882.1	496.4	26.4
Property, equipment - net	429.3	431.1	(1.8)	(0.4)	431.8	(0.7)	(0.2)
Other assets	29.2	84.9	(55.7)	(65.6)	52.7	32.2	61.1
Total assets	<u>5,188.6</u>	<u>4,599.9</u>	<u>588.7</u>	<u>12.8</u>	<u>4,616.9</u>	<u>(17.0)</u>	<u>(0.4)</u>
Liabilities							
Line of credit	247.4	-	247.4	100.0	-	-	-
Accounts payable	70.0	25.6	44.4	173.4	50.6	(25.0)	(49.4)
Deferred income	15.0	-	15.0	100.0	-	-	-
Total liabilities	<u>332.4</u>	<u>25.6</u>	<u>306.8</u>	<u>1198.4</u>	<u>50.6</u>	<u>(25.0)</u>	<u>(49.4)</u>
Net Assets							
Net assets - unrestricted	1,309.3	1,059.6	249.7	23.6	1,069.7	(10.1)	(0.9)
Net assets - restricted	3,546.9	3,514.7	32.2	0.9	3,496.6	18.1	0.5
Total net assets	<u>\$4,856.2</u>	<u>\$4,574.3</u>	<u>\$ 281.9</u>	<u>6.2</u>	<u>\$4,566.3</u>	<u>\$ 8.0</u>	<u>0.2</u>

Significant changes in the statement of net assets from 2010 to 2011 include:

- Cash increased due to cash provided from operating activities.
- Restricted cash decreased due to the funding of new loans.
- Loans receivable increased as a result of increased loan demand during the year.
- The Agency's line of credit had a balance of \$247,400 after having been at a zero balance at the end of 2009 and 2010.
- Accounts payable in 2011 includes an amount to be paid to a beneficiary of a Small Business Administration Grant.
- Deferred Income is a Payment-in-Lieu-of-Taxes Incremental Financing Payment.
- The Agency's largest asset is its loan portfolio. Management assesses the quality of the loans on an ongoing basis. As a result, provisions are made for impaired loans as needed. At December 31, 2011 and 2010, based on management's evaluation, the loan loss reserve was adequate to cover projected loan losses.

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Management's Discussion and Analysis
For the Year Ended December 31, 2011

A condensed version of the Agency's statements of revenues, expense and changes in net assets follows:

Table 2
Condensed Statements of Revenues, Expenses and Changes in Net Assets
(In thousands of dollars)

	<u>2011</u>	<u>2010</u>	<u>Dollar Change</u>	<u>% Change</u>	<u>2009</u>	<u>Dollar Change</u>	<u>% Change</u>
Revenues							
Contractual services and grants	\$ 539.1	\$ 550.0	\$ (10.9)	(2.0)	\$ 570.9	\$ (20.9)	(3.7)
Agency fees	151.2	90.2	61.0	67.6	58.1	32.1	55.2
Interest - banks	5.6	6.3	(0.7)	(11.1)	12.7	(6.4)	(50.4)
Interest loans	97.0	85.5	11.5	13.5	79.1	6.4	8.1
Other income	17.0	27.4	(10.4)	(38.0)	75.6	(48.2)	(63.8)
Total revenues	<u>809.9</u>	<u>759.4</u>	<u>50.5</u>	<u>6.6</u>	<u>796.4</u>	<u>(37.0)</u>	<u>(4.6)</u>
Expenses							
Personnel	345.9	324.8	21.1	6.5	300.4	24.4	8.1
Program expense	7.1	201.4	(194.3)	(94.5)	96.0	105.4	109.8
Contractual services	114.8	136.7	(21.9)	(18.8)	223.0	(86.3)	(38.7)
Administrative and technical assistance	6.0	1.3	4.7	361.5	2.1	(0.8)	(38.1)
Loan loss	61.3	67.1	(5.8)	(8.6)	9.5	57.6	606.3
Other expense	(7.0)	20.1	(27.1)	(134.8)	77.8	(57.7)	(74.2)
Total expenses	<u>528.1</u>	<u>751.4</u>	<u>(223.3)</u>	<u>(29.7)</u>	<u>708.8</u>	<u>42.6</u>	<u>6.0</u>
Change in Net Assets	281.8	8.0	273.8	3,422.5	87.6	(79.6)	(90.9)
Beginning Net Assets	<u>4,574.3</u>	<u>4,566.3</u>	<u>8.0</u>	<u>0.2</u>	<u>4,478.7</u>	<u>87.6</u>	<u>2.0</u>
Ending Net Assets	<u>\$ 4,856.2</u>	<u>\$ 4,574.3</u>	<u>\$ 281.8</u>	<u>6.2</u>	<u>\$ 4,566.3</u>	<u>\$ 8.0</u>	<u>0.2</u>

Significant changes in the statement of revenues and expenses from 2010 to 2011 include:

- The County of Wayne has engaged the Agency to foster and encourage the location and/or expansion of manufacturing and industrial companies in the County. For this activity the County appropriated \$257,400 to the Agency for contractual services in 2010 and 2011. The County has also appropriated funding to the Agency for business retention and attraction projects in the amount of \$292,600 for 2010 and \$281,737 in 2011.
- Overall, revenues increased due to an increase in Agency fees as a result of the number and larger size of projects assisted during 2011.

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Management's Discussion and Analysis
For the Year Ended December 31, 2011

- Personnel costs increased primarily due to the increase in the Agency's contribution to the NYS Retirement Plan and increased health insurance premiums.
- Program expenses in 2011 decreased due to fewer companies using the program for infrastructure and capacity building during the year.
- Contractual expenses decreased reflecting fewer incentives to businesses for relocation.
- Loan loss expense decreased slightly based on management's continuing analysis of the quality of the loan portfolios in light of changing economic conditions.
- Other expenses decreased due to the elimination of the New York State cost recovery assessment in 2011.

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

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

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Cash Flows from Operating Activities			
Receipts from providing services	\$ 605.6	\$ 550.0	\$ 570.9
Payments to suppliers	(51.9)	(437.3)	(350.5)
Payments to employees	(345.9)	(324.8)	(300.4)
Other operating revenue	158.2	108.5	120.7
Net cash provided by operating activities	<u>366.0</u>	<u>(103.6)</u>	<u>40.7</u>
Cash Flows from Investing Activities			
Investment income	3.1	4.2	7.8
Certificates of deposit	(1.6)	(3.2)	(5.2)
Property and equipment additions	-	(1.1)	(4.5)
Net cash provided by investing activities	<u>1.5</u>	<u>(0.1)</u>	<u>(1.9)</u>
Net Change in Cash and Cash Equivalents	367.5	(103.7)	38.8
Beginning Cash and Cash Equivalents	<u>309.2</u>	<u>412.9</u>	<u>374.1</u>
Ending Cash and Cash Equivalents	<u>\$ 676.7</u>	<u>\$ 309.2</u>	<u>\$ 412.9</u>

Significant changes in the statement of cash flows include:

- Payments to suppliers decreased as a result of reduced expenses for infrastructure and capacity building.
- Investments or redemption of certificates of deposit from year to year.

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Management's Discussion and Analysis
For the Year Ended December 31, 2011

Capital Assets

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

Long-Term Debt

The Agency has no direct long-term debt but has entered into conduit financing agreements with two companies with a total of \$6,805,834 in bonds outstanding at the end of 2011. These transactions are not recorded on the Agency's financial statements but are disclosed in the notes to the financial statements.

Economic Factors

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

Contacting the Agency

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

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Statement of Net Assets
December 31, 2011

	<u>Operating Fund</u>	<u>Non- Operating Revolving Loan Funds</u>	<u>Total All Funds</u>
ASSETS			
Assets			
Cash and cash equivalents	\$ 676,775	\$ -	\$ 676,775
Certificate of deposits	268,867	-	268,867
Restricted cash	-	1,047,691	1,047,691
Restricted certificate of deposit	28,129	-	28,129
Prepaid expenses	14,212	-	14,212
Loans receivable - net of allowance for loan losses	-	2,708,688	2,708,688
Interest receivable	-	14,942	14,942
Property and equipment - net	<u>405,578</u>	<u>23,668</u>	<u>429,246</u>
Total Assets	<u>\$ 1,393,561</u>	<u>\$ 3,794,989</u>	<u>\$ 5,188,550</u>
LIABILITIES AND NET ASSETS			
Liabilities			
Line of credit	\$ -	\$ 247,400	\$ 247,400
Accounts payable	2,845	765	3,610
Grants payable	66,416	-	66,416
Deferred income	<u>15,000</u>	<u>-</u>	<u>15,000</u>
Total liabilities	<u>84,261</u>	<u>248,165</u>	<u>332,426</u>
Net Assets			
Unrestricted	1,309,300	-	1,309,300
Restricted for revolving funds	<u>-</u>	<u>3,546,824</u>	<u>3,546,824</u>
Total net assets	<u>1,309,300</u>	<u>3,546,824</u>	<u>4,856,124</u>
Total Liabilities and Net Assets	<u>\$ 1,393,561</u>	<u>\$ 3,794,989</u>	<u>\$ 5,188,550</u>

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

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Statement of Activities
For the Year Ended December 31, 2011

	<u>Operating Fund</u>	<u>Non- Operating Revolving Loan Funds</u>	<u>Total All Funds</u>
Revenues			
Contractual services and grants	\$ 539,137	\$ -	\$ 539,137
Agency and administrative fees	151,199	-	151,199
Interest - loans	-	96,974	96,974
Interest - banks	3,091	2,527	5,618
Other revenue	6,996	-	6,996
In-kind income	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total revenues	<u>710,423</u>	<u>99,501</u>	<u>809,924</u>
Expenses			
Program expense	7,148	-	7,148
Contractual services	114,799	-	114,799
Salaries	242,818	-	242,818
Employee benefits	103,061	-	103,061
Administrative and technical assistance	-	6,009	6,009
Depreciation	1,893	-	1,893
Occupancy	10,000	-	10,000
State cost recovery assessment (refund)	(18,912)	-	(18,912)
Loan loss	-	61,300	61,300
Interest expense	<u>-</u>	<u>38</u>	<u>38</u>
Total expenses	<u>460,807</u>	<u>67,347</u>	<u>528,154</u>
Change in Net Assets	249,616	32,154	281,770
Net Assets - Beginning	<u>1,059,684</u>	<u>3,514,670</u>	<u>4,574,354</u>
Net Assets - Ending	<u>\$ 1,309,300</u>	<u>\$ 3,546,824</u>	<u>\$ 4,856,124</u>

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

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Statement of Cash Flows
Operating Fund
For the Year Ended December 31, 2011

Cash Flows from Operating Activities	
Receipts from providing services	\$ 605,553
Payments to suppliers for goods and services	(51,867)
Payments to employees	(345,879)
Other operating revenue	<u>158,195</u>
Net cash flow from operating activities	<u>366,002</u>
Cash Flows from Investing Activities	
Certificates of deposit	(1,600)
Investment income	<u>3,091</u>
Net cash flow from investing activities	<u>1,491</u>
Net Change in Cash and Cash Equivalents	367,493
Cash and Cash Equivalents - Beginning	<u>309,282</u>
Cash and Cash Equivalents - Ending	<u>\$ 676,775</u>
Reconciliation of Change in Net Assets to Net Cash Flows from Operating Activities	
Change in net assets	\$ 249,616
Adjustments	
Depreciation	1,893
Investment income	(3,091)
Change in assets and liabilities	
Prepaid expenses	(3,379)
Other receivables	62,300
Accounts payable	(3,841)
Accrued state cost recovery assessment	(18,912)
Grants payable	66,416
Deferred income	<u>15,000</u>
Net Cash Flows from Operating Activities	<u>\$ 366,002</u>

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

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

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

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

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

Measurement Focus and Method of Accounting - The accounts of WCIDA are maintained on the accrual basis of accounting, in conformity with the Uniform System of Accounts for Industrial Development Agencies published by the New York State Office of the State Comptroller.

In June of 1999, the Governmental Accounting Standards Board (GASB) issued Statement No. 34, "Basic Financial Statements and Management's Discussion and Analysis of State and Local Governments." This statement was adopted as of January 1, 2004 and is reflected in these financial statements. A Management's Discussion and Analysis (MD&A) is not a required part of the financial statements but is supplementary information required by GASB.

Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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

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

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

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

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

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

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

Equipment

5 - 7 Years

Depreciation expense amounted to \$1,893 for the year ended December 31, 2011.

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

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

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

Although the form of these transactions would seem to be that of a lessor/lessee arrangement, it is merely a financing agreement in which WCIDA merely acts as the financing conduit. To record the assets and liabilities resulting from the transactions would tend to overstate and inflate the operations of WCIDA. Consequently in these conduit financing arrangements WCIDA does not record bond proceeds, the assets acquired, liabilities incurred or debt service payments in the financial statements.

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

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

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

Note 2. Certificates of Deposit

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

As of December 31, 2011, WCIDA had certificates of deposit held at banks as follows:

Unrestricted

A six month certificate of deposit at Canandaigua National Bank with interest at .67% maturing on May 25, 2012.	\$ 114,135
A six month certificate of deposit at Savannah Bank with interest at .45% maturing on January 9, 2012.	78,030
A six month certificate of deposit at Savannah Bank with interest at .45% maturing on April 20, 2012.	<u>76,702</u>
Total	<u>\$ 268,867</u>

Restricted

A twelve month certificate of deposit at Lyons National Bank with interest at .60% maturing on February 17, 2012. Use of funds is restricted to unemployment insurance claims.	<u>\$ 28,129</u>
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The certificates of deposit are fully collateralized as of December 31, 2011.

Note 3. Deposits and Investments

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

The amounts on deposit in banking institutions and the related collateral as of December 31, 2011 excluding certificates of deposit are as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Demand and savings deposits	<u>\$ 1,724,466</u>	<u>\$ 1,760,419</u>
Covered by FDIC insurance		\$ 577,584
Pledged collateral		<u>1,182,835</u>
Total deposits		<u>\$ 1,760,419</u>

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

Note 4. Related Party Transactions

Contractual Services - The County has engaged WCIDA to foster and encourage the location and/or expansion of industrial or manufacturing plants in the County. The 2011 Wayne County budget appropriated \$257,400 for WCIDA for contractual services, which was paid through quarterly installments. The County also has appropriated funding to WCIDA for business retention and attraction projects in the amount of \$281,737 during the year ended December 31, 2011.

At December 31, 2011, no outstanding amounts were owed by the County.

Agency Fees - Agency fees, resulting from the establishment of PILOT agreements, amounted to \$150,573 for the year ended December 31, 2011.

See Note 12 for additional related party transaction.

Note 5. Revolving Loan Funds

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

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

Total revolving loans receivable from various commercial enterprises as of December 31, 2011 were \$2,961,308. The loans have an associated allowance for loan losses of \$252,620 resulting in net loans receivable of \$2,708,688.

At December 31, 2011, total interest receivable due on revolving loans amounted to \$14,942. In addition, at December 31, 2011, total loans included in the revolving loan funds on a non-accrual status amounted to approximately \$279,400. Interest on these loans is recorded when paid to WCIDA. At December 31, 2011 interest not received or recorded amounted to \$37,174.

Note 6. Property and Equipment

Property and equipment consists of the following at December 31, 2011:

Operating Fund	
Land	\$ 400,238
Equipment	11,243
Sub-total	<u>411,481</u>
Less - accumulated depreciation	<u>(5,903)</u>
Property and equipment - net	<u>\$ 405,578</u>
 Revolving Loan Fund	
Land	<u>\$ 23,668</u>

The land reported in the Revolving Loan Fund resulted from the transfer of a deed in lieu of payment of a loan receivable.

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

In 2008, a deed was recorded for land donated by WCIDA (recorded at \$342,700) to the Town of Macedon ("the Town"). This transfer was approved by the Board of Directors in 2007. The donation of the land required the Town to commence construction of a municipal/emergency services facility on the site on or before January 15, 2009. If this obligation was not met, WCIDA reserved the right to either require payment from the Town of the fair market value of the property, as determined by a licensed real estate appraiser, or to receive the property back. Construction did not commence by January 15, 2009. On March 28, 2012, the matter was resolved that the Town of Macedon has met its obligations under the original agreement, and, even recognizing the extended timeline, is now free of any claw-back provision in the original agreement, having moved forward on the road and shown good faith in attempts to put a commercial or public use on the developable property.

Note 7. Line of Credit

WCIDA maintains a \$1,000,000 line of credit with Lyons National Bank that bears interest at the prime rate minus 1%, or 2.25% at December 31, 2011. At December 31, 2011, there was no outstanding principal balance. The line of credit is collateralized by the loans receivable generated by the Revolving Loan Fund.

WCIDA also has a second line of credit with Lyons National Bank in the amount of \$500,000 that also bears interest at the prime rate minus 1%. At December 31, 2011, the outstanding principal balance was \$247,400. This line is also collateralized by the loans receivable generated by the Revolving Loan Fund and requires that the loan aging report be submitted to the bank quarterly.

Note 8. Industrial Revenue Bonds

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

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

<u>Company</u>	<u>Date of Issuance</u>	<u>Date of Maturity</u>	<u>Outstanding End of Year</u>
Seneca Foods Corporation	1992	2012	\$ 5,060,000
Wayne Hostels Holding	1993	2018	<u>1,745,834</u>
Total			<u>\$ 6,805,834</u>

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

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

WCIDA is responsible for tracking all PILOT payments whether made by WCIDA in connection with property it owns or made directly to the taxing authorities by the organizations participating in the program. A total of 45 organizations participated in the PILOT's program and \$1,330,038 in payments were administered by WCIDA for the year ended December 31, 2011. The PILOT payments are not recorded on the financial statements.

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

Note 10. In-Kind Contributions

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

WCIDA offices are housed in a building owned by the County. The County does not charge rents to WCIDA for the use of the facility. Based upon office square footage of 1,054 square feet and a rate of \$9.49 per square foot, total rents of \$10,000 have been recorded as rent expense and a corresponding amount is included in revenue as in-kind income.

Note 11. Employee Benefit Plan

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

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

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

2011	\$	39,619
2010	\$	28,289
2009	\$	16,670

The ERS plan year ends March 31st. The required contribution noted above for 2011 is for the plan year ending March 31, 2012. The contribution was paid before December 31, 2011, resulting in a prepaid expense of \$9,905 at December 31, 2011.

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

Note 12. Contributions

Wayne Industrial Sustainability Park (WISP) is an entity that was created by WCIDA during 2006. WISP's primary purpose is to enhance the economic development located in pods of sustainable industrial communities throughout the County. Currently, the land donated at Silver Hills is a pod and the land purchased in Ontario (the 84 Lumber site) is a pod. During 2006 WCIDA contributed \$60,000 in cash along with paying for legal and set-up costs, including legal, mapping and engineering, totaling \$27,154. During 2011, WCIDA did not contribute any additional funds related to the project. WCIDA does not expect to be reimbursed for any of these costs and therefore expensed them in the year contributed.

Note 13. State Cost Recovery Assessment

Public Authorities Law Section 2975 was passed in 2009 and established a cost recovery of central government services provided to public authorities by New York State. The 2010-2011 administrative services assessment for the Agency of \$18,912, was paid in 2010 and refunded by New York State in 2011.

Note 14. Budget Comparison

The following is a comparison of actual expenditures to budgeted expenditures for the year ended December 31, 2011:

	<u>Budget</u>	<u>Actual</u>	<u>Difference</u>
Program/contractual services/other	\$ 371,037	\$ 103,035	\$ 268,002
Salaries	245,150	242,818	2,332
Employee benefits	99,000	103,061	(4,061)
Depreciation	1,200	1,893	(693)
Occupancy	<u>9,000</u>	<u>10,000</u>	<u>(1,000)</u>
Total	<u>\$ 725,387</u>	<u>\$ 460,807</u>	<u>\$ 264,580</u>

The major variance to the budget during 2011 was in the area of program and contractual expenses in the amount of \$268,002. This was due primarily to fewer than anticipated companies using available programs for infrastructure and capacity building during the year. Employee benefits were higher than planned due to increases above the budgeted costs for health insurance premiums and the Agency's contribution to the NYS Employee Retirement System.

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Supplemental Schedule of Revolving Loan Funds
December 31, 2011

	<u>WCIDA Revolving Loan Fund</u>	<u>Small Cities Loan Fund</u>	<u>Agri Business Loan Fund</u>	<u>Other Loan Fund</u>	<u>Total Revolving Loan Funds</u>
ASSETS					
Assets					
Restricted cash	\$ 5,384	\$ 520,762	\$ 407,333	\$ 114,212	\$ 1,047,691
Loans receivable - net of allowance for loan losses	2,441,629	132,334	85,188	49,537	2,708,688
Interest receivable	9,087	2,407	2,867	581	14,942
Property and equipment - net	<u>-</u>	<u>23,668</u>	<u>-</u>	<u>-</u>	<u>23,668</u>
Total Assets	<u>\$ 2,456,100</u>	<u>\$ 679,171</u>	<u>\$ 495,388</u>	<u>\$ 164,330</u>	<u>\$ 3,794,989</u>
LIABILITIES AND NET ASSETS					
Liabilities					
Line of credit	\$ 247,400	\$ -	\$ -	\$ -	\$ 247,400
Accounts payable	<u>-</u>	<u>765</u>	<u>-</u>	<u>-</u>	<u>765</u>
Total liabilities	<u>247,400</u>	<u>765</u>	<u>-</u>	<u>-</u>	<u>248,165</u>
Net Assets					
Restricted revolving funds	<u>2,208,700</u>	<u>678,406</u>	<u>495,388</u>	<u>164,330</u>	<u>3,546,824</u>
Total Liabilities and Net Assets	<u>\$ 2,456,100</u>	<u>\$ 679,171</u>	<u>\$ 495,388</u>	<u>\$ 164,330</u>	<u>\$ 3,794,989</u>

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Supplemental Schedule of Revolving Loan Funds
For the Year Ended December 31, 2011

	<u>WCIDA Revolving Loan Fund</u>	<u>Small Cities Loan Fund</u>	<u>Agri Business Loan Fund</u>	<u>Other Loan Fund</u>	<u>Total Revolving Loan Funds</u>
Revenues					
Interest - loans	\$ 90,170	\$ 3,256	\$ 2,329	\$ 1,219	\$ 96,974
Interest - banks	<u>344</u>	<u>1,130</u>	<u>785</u>	<u>268</u>	<u>2,527</u>
Total revenues	<u>90,514</u>	<u>4,386</u>	<u>3,114</u>	<u>1,487</u>	<u>99,501</u>
Expenses					
Administrative and technical assistance	-	5,809	-	200	6,009
Loan loss	10,000	12,300	26,000	13,000	61,300
Interest expense	<u>38</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38</u>
Total expenses	<u>10,038</u>	<u>18,109</u>	<u>26,000</u>	<u>13,200</u>	<u>67,347</u>
Change in Net Assets	80,476	(13,723)	(22,886)	(11,713)	32,154
Net Assets - Beginning	<u>2,128,224</u>	<u>692,129</u>	<u>518,274</u>	<u>176,043</u>	<u>3,514,670</u>
Net Assets - Ending	<u>\$ 2,208,700</u>	<u>\$ 678,406</u>	<u>\$ 495,388</u>	<u>\$ 164,330</u>	<u>\$ 3,546,824</u>

Wayne County Industrial Development Agency
Project Information
December 31, 2011

* Project Code	* Project Type	* Project Name	* Is this project part of or related to an existing multi-phase project?	If Yes: What is the original project code?	* Project Purpose Category	* Total Project Amount	* Benefited Project Amount	Bond/Note Amount	Annual Lease Payment	Federal Tax Status of Bonds	Is the applicant a Not for Profit corporation?	* Date Project Approved	Did the IDA take title or leasehold interest to the property?	Date IDA Took Title or Leasehold Interest in Property	* Year Financial Assistance is Planned to End	* State Sales Tax Exemption	* Local Sales Tax Exemption (Sum of City/Town/Village)	County Real Property Tax Exemption	Local Property Tax Exemption
5401-02-03A	Lease	Acadia Polymers Corp	N		Manufacturing	1277000	750000		0		N	08/21/2002	Y	02/17/2004	2014	0.00	0.00	5587.73	3590.25
5401-07-03A/B	Lease	Bella Design	N		Manufacturing	568132	540000		0		N	04/27/2007	Y	08/01/2007	2018	0.00	0.00	5697.65	2367.90
5401-02-04A	Lease	Cahoon Farms Leasing	N		Manufacturing	2443200	1677040		0		N	10/28/2002	Y	02/22/2003	2014	0.00	0.00	16507.77	6769.97
5401-08-01A	Lease	CIDC	N		Other Categories	417500	417500		0		N	02/22/2008	Y	02/01/2008	2018	0.00	0.00	4068.91	10747.33
5401-04-02A	Lease	CL Enterprisese LLC	N		Manufacturing	220000	206000		0		N	09/01/2004	Y	02/27/2006	2016	0.00	0.00	4450.28	1849.50
5401-05-01A	Lease	DJ Property Management	N		Manufacturing	6650000	6300000		0		N	10/28/2005	Y	11/17/2005	2016	0.00	0.00	16595.46	5945.66
5401-10-04A	Lease	Empire Fruit Growers Cooperative	N		Agriculture, Forestry and Fishing	5722500	5580000		0		N	09/24/2010	Y	01/11/2011	2021	187580.55	187580.55	0.00	0.00
5401-98-05A	Lease	ERM Associates	N		Manufacturing	1420500	1381500		0		N	10/27/1998	Y	03/01/1999	2014	0.00	0.00	31097.75	11141.40
5401-07-01A	Lease	ERM Associates - 2	Y	5401-98-05A	Manufacturing	4956980	4906980		0		N	04/02/2007	Y	05/17/2007	2018				
5401-05-03A	Lease	Garlock Sealing Technologies	N		Manufacturing	37000000	37000000		0		N	12/28/2005	Y	03/27/2006	2025	2520.19	2520.19	37127.94	17818.20
5401-00-02A	Lease	Halstead Machine	N		Manufacturing	550000	442700		0		N	07/31/2000	Y	11/28/2000	2014	0.00	0.00	4502.39	8703.77
5401-07-06A	Lease	Halstead Machine - 2	Y	5401-00-02A	Manufacturing	291000	279500		0		N	10/22/2007	Y	10/22/2007	2019				
5401-00-01A	Lease	Information packaging Corp.	N		Manufacturing	1400400	1300000		0		N	06/30/2000	Y	12/27/2000	2015	0.00	0.00	11424.36	4747.88
5401-08-04A/B	Lease	JAMKO	N		Manufacturing	1230000	1200000		0		N	10/24/2008	Y	11/01/2008	2019	0.00	0.00	10157.28	9911.40
5401-07-02A	Lease	K.M. Davies Co., Inc.	N		Agriculture, Forestry and Fishing	3400000	3400000		0		N	05/25/2007	Y	06/22/2007	2019	0.00	0.00	28984.62	15787.22
5401-11-03A	Lease	K.M. Davis - 2	Y	5401-07-02A	Agriculture, Forestry and Fishing	4476417	3846769		0		N	6/3/2011	Y	8/1/2011	2022	63909.04	63909.04	0.00	0.00
5401-10-05A	Lease	Kairos, LLC/Ankom 2	N		Manufacturing	702500	600000		0		N	09/25/2010	Y	12/15/2010	2021	143712.12	143712.12	7175.98	2982.28
5401-06-01A	Lease	Koch Acquisitions/Ariel Optics	N		Manufacturing	428400	340000		0		N	02/13/2006	Y	03/29/2006	2017	0.00	0.00	3276.27	1173.79
5401-07-05A	Lease	Legendary Auto	N		Manufacturing	1800000	1800000		0		N	04/16/2009	Y	06/01/2009	2020	0.00	0.00	7649.33	14787.25
LD97009-02A9	Lease	Leggio d/b/a Skyline North	N		Manufacturing	1100000	885000		0		N	09/22/1997	Y	10/31/1997	2018	0.00	0.00	6262.06	2602.46
5401-11-02A	Lease	Lyons Logistics, LLC	N		Manufacturing	1641500	1250000		0		N	6/3/2011	Y	10/10/2011	2022	0.00	0.00	0.00	0.00
5401-04-01A	Lease	Maco Bag/Miller Holding	N		Manufacturing	1555000	1525000		0		N	07/28/2004	Y	10/01/2004	2015	0.00	0.00	6693.16	12938.84
5401-08--03A	Lease	Marshall Farms - Pet Products	N		Agriculture, Forestry and Fishing	696000	675000		0		N	10/24/2008	Y	11/01/2008	2019	0.00	0.00	6099.86	4534.87
5401-08-06A	Lease	Marshall Farms Group	N		Agriculture, Forestry and Fishing	2021000	2000000		0		N	11/21/2008	Y	06/01/2009	2020	0.00	0.00	4042.05	1657.63
5401-10-03A	Lease	Marshall Ingredients	N		Agriculture, Forestry and Fishing	1950000	1880000		0		N	08/24/2010	Y	10/25/2010	2021	23205.50	23205.50	0.00	0.00
5401-98-01A	Lease	Maxpro	N		Manufacturing	6212800	5656500		0		N	4/22/2011	Y	6/1/2011	2022	0.00	0.00	11471.52	4109.90
5401-01-01A	Lease	Micro Tech Machine	N		Manufacturing	654000	600000		0		N	05/16/2001	Y	09/28/2001	2012	0.00	0.00	5752.29	11120.01
5401-10-02A	Lease	Midland Asphalt Materials, Inc.	N		Manufacturing	5967951	5847802		0		N	06/25/2010	Y	12/29/2010	2021	0.00	0.00	0.00	0.00
5401-98-02A	Lease	Mobil Chemical	N		Manufacturing	8000000	7750000		0		N	08/28/1998	Y	02/01/1999	2019	0.00	0.00	60086.87	24971.64
5401-99-03A	Lease	Murphy Co., Inc.	N		Manufacturing	800000	800000		0		N	07/30/1999	Y	03/01/2000	2011	0.00	0.00	8859.27	3681.84
5401-06-05A	Lease	N. Development - Biodiesel	N		Manufacturing	915470	840000		0		N	07/24/2006	Y	10/11/2006	2022	0.00	0.00	3170.73	1135.98
5401-99-02A	Lease	N. Development - Harbec	N		Manufacturing	1785000	1541000		0		N	05/10/1999	Y	11/01/1999	2020	0.00	0.00	9931.27	3558.08
5401-04-03A	Lease	Palmyra Inn Investment, LLC	N		Services	3410000	3163100		0		N	10/18/2004	Y	02/23/2005	2015	0.00	0.00	7078.11	4315.47
5401-98-03A	Lease	Parkwood Heights	N		Services	9309000	8400000		0		N	08/28/1998	Y	11/01/1999	2049	446.30	446.30	30209.01	12544.63
5401-06-04A	Lease	Parkwood Heights - Cottages	Y	5401-98-03A	Services	3098957	2836457		0		N	05/10/2006	Y	06/01/2006	2017	0.00	0.00	17513.58	7278.51
5401-04-04A	Lease	Photon Gear, Inc.	N		Manufacturing	461720	441150		0		N	11/12/2004	Y	01/03/2006	2016	0.00	0.00	3596.70	1288.59
5401-10-01A	Lease	Pomona Packing, LLC	N		Agriculture, Forestry and Fishing	6689900	5315000		0		N	04/30/2010	Y	02/24/2011	2021	0.00	0.00	0.00	0.00
ED9227901A	Bonds/Notes Issuance	Seneca Foods Corp	N		Manufacturing	8000000	5060000	5060000		Tax Exempt	N	10/26/1981	Y	06/01/1992	2012	0.00	0.00	28941.49	18595.58
5401-06-03A	Lease	Silver Hill - FLCC	N		Other Categories	750000	700000		0		Y	05/01/2006	Y	08/04/2006	2022	0.00	0.00	5213.78	10078.99
5401-03-02A	Lease	Spoon Exhibit Services	N		Manufacturing	2450500	2095000		0		N	10/07/2003	Y	11/14/2003	2013	0.00	0.00	18503.98	7690.11
5401-98-06A	Lease	The Guild (Permar)	N		Manufacturing	989000	949000		0		N	10/27/1998	Y	03/01/1999	2020	0.00	0.00	11033.14	18731.37
5401-07-04A	Lease	Upstate Refractory Services	N		Manufacturing	1100000	1080000		0		N	05/17/2007	Y	10/29/2007	2019	0.00	0.00	7649.33	14787.25
ED9327801A	Bonds/Notes Issuance	Wayne Hostels Holding (ARC)	N		Civic Facility	3990000	3850000	1957500		Tax Exempt	Y	01/22/1993	Y	03/30/1993	2018	0.00	0.00	0.00	0.00
5401-06-02A	Lease	Wayne Industrial Sustainability	N		Other Categories	481400	481400		0		Y	02/22/2006	Y	02/22/2006	2011	0.00	0.00	3682.39	7118.58
5401-08-05A/B	Lease	Weslor Enterprises	N		Manufacturing	1500000	1500000		0		N	10/24/2008	Y	11/01/2008	2019	0.00	0.00	9842.47	9604.00

Wayne County Industrial Development Agency
Project Information
December 31, 2011

School Property Tax Exemption	Mortgage Recording Tax Exemption	Total Exemptions Net of RPTL Section 485-b Exemptions	Actual Payment Made			Payment Due Per Agreement			* # of FTEs before IDA status	* Original estimate of jobs to be created	* Average estimated annual salary of jobs to be created (at current market rate).	* Annualized salary range of jobs to be created. FROM	* Annualized salary range of jobs to be created. TO	* Original estimate of jobs to be retained	* Estimated average annual salary of jobs to be retained (at current market rate).	* Current # of FTEs	* # of FTE construction jobs during the fiscal year
			County PILOT	Local PILOT	School District PILOT	County PILOT	Local PILOT	School District PILOT									
16087.94	0.00	16691.03	4534.18	2913.31	13054.60	4534.18	2913.31	13054.60	38	32	41875	33500	50250	0	0	57	0
22671.57	0.00	12812.97	1543.34	641.40	6338.97	1543.34	641.40	6338.97	5	4	37500	30000	45000	0	0	9	0
32612.21	0.00	490.38	12893.13	5287.43	0.00	12893.13	5287.43	26670.65	85	20	25000	20000	30000	0	0	109	0
13392.14	0.00	28208.38	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0	0	0
14423.81	0.00	5180.90	2781.52	1155.98	11719.50	2781.52	1155.98	11719.50	11	5	30000	24000	36000	0	0	12	0
44625.04	0.00	48253.63	10364.90	3713.44	27871.12	10364.90	3713.44	27871.12	65	8	55125	45000	65000	0	0	78	0
0.00	26750.00	401911.09	0.00	0.00	0.00	0.00	0.00	0.00	25	15	15933	14440	104000	0	0	49	8
83621.57	0.00	47761.49	8663.29	3103.80	23295.50	8663.29	3103.80	23295.50	0	75	28364	20000	35000	0	0	0	0
									99	69	34493	25000	40000	0	0	65	0
105433.73	0.00	165420.24	37127.84	17818.20	105433.73	37127.84	17818.20	105433.73	548	0	0	0	0	548	50730	589	0
12410.98	0.00	25617.14	3074.59	5943.62	9248.14	3074.59	5943.62	9248.14	23	4	20000	16000	24000	0	0	0	0
									50	5	40000	32000	48000	0	0	52	0
30488.55	0.00	44621.28	9132.30	3795.31	30488.56	9132.30	3795.31	30488.56	50	25	29960	20000	36000	0	0	46	0
30671.59	0.00	21010.79	242.56	236.69	762.44	242.56	236.69	711.88	24	8	31200	25000	37500	0	0	15	0
82988.56	0.00	51104.16	0.00	0.00	0.00	0.00	0.00	0.00	20	7	16343	13000	20000	0	0	0	0
0.00	0.00	127818.08	0.00	0.00	0.00	0.00	0.00	0.00	25	0	0	0	0	0	0	26	0
23258.05	0.00	320840.55	4955.81	2059.60	16062.27	4955.81	2059.60	16062.27	17	3	66667	62500	75000	0	0	28	0
8809.85	0.00	3977.99	535.34	191.80	1439.52	535.34	191.80	1439.52	3	5	16625	12000	20000	0	0	6	0
21085.59	0.00	19584.97	1852.67	3581.47	5106.93	1852.67	3581.47	5106.93	60	10	39500	31500	47500	0	0	56	0
20295.96	0.00	29160.48	5567.25	2313.71	20295.96	5567.25	2313.71	20295.96	0	14	26667	20000	32000	0	0	18	0
0.00	12500.00	12500.00	0.00	0.00	0.00	0.00	0.00	0.00	0	70	41500	35000	250000	0	0	12	0
18449.89	0.00	27499.65	3381.00	6535.97	9319.83	3381.00	6535.97	9319.83	0	175	32000	25000	38400	0	0	167	0
12406.77	0.00	9216.60	4340.11	5.51	8827.44	4340.11	5.51	8827.44	19	2	55556	42500	70000	0	0	33	0
6123.54	0.00	9161.31	694.59	284.85	649.46	694.59	284.85	649.46	206	6	33333	25000	40000	0	0	181	0
8610.62	0.00	55021.62	0.00	0.00	836.06	0.00	0.00	836.06	26	14	32143	30000	37500	0	0	0	4
30846.80	32262.50	78690.78	8431.95	3020.92	22673.43	8431.95	3020.92	22673.43	141	39	51000	32000	65000	0	0	170	0
15856.36	0.00	2463.35	3917.39	7572.87	10798.40	3917.39	7572.87	10798.40	32	10	33000	26500	40000	0	0	54	0
94145.72	0.00	94145.72	0.00	0.00	80187.53	0.00	0.00	80187.53	13	7	49886	45000	51000	0	0	23	0
195491.10	0.00	195491.10	40223.87	16716.73	130414.93	40223.87	16716.73	130369.54	100	193	23316	17500	28000	0	0	101	0
28713.77	0.00	41254.88	4943.95	2054.67	28713.78	4943.95	2054.67	28713.78	0	68	18000	12500	21500	0	0	11	0
8528.11	0.00	12835.39	3170.73	1135.98	8528.11	3170.73	1135.98	8528.11	0	8	25000	20000	30000	0	0	10	0
26705.11	0.00	1634.65	6429.40	2873.10	21563.97	6429.40	2873.10	21563.97	105	20	20500	16500	24500	0	0	141	0
23606.42	0.00	0.00	7078.11	4315.47	23606.42	7078.11	4315.47	23606.42	0	11	15208	12500	18250	0	0	11	0
97910.38	0.00	141566.62	30209.01	12544.63	97910.38	30209.01	12544.63	97910.38	0	22	18364	15000	22000	0	0	30	0
56763.24	0.00	14712.51	2944.42	1233.68	9543.17	2944.42	1233.68	9543.17	0	0	0.00	0.00	0.00	0	0	0	0
9671.50	0.00	5264.19	535.34	740.19	5555.51	535.34	740.19	5555.51	6	2	75000	60000	90000	0	0	11	0
12834.59	12500.00	25334.59	0.00	0.00	11930.75	0.00	0.00	11930.75	0	32	15560	13750	26170	0	0	42	0
83326.99	0.00	0.00	28941.49	18595.58	83326.99	28941.49	18595.58	83326.99	125	6	20000	16000	24000	0	0	65	0
14371.94	0.00	29664.70	3113.95	6019.72	8583.69	3113.95	6019.72	8583.69	0	0	0	0	0	0	0	3	0
86939.41	0.00	29668.04	12198.32	5069.53	46689.68	12198.32	5069.53	46689.68	0	49	43878	35000	55000	0	0	32	0
21732.93	0.00	0.00	8666.79	15321.51	17071.74	8666.79	14713.94	17071.74	73	68	28571	20000	35000	0	0	110	0
21085.59	0.00	17406.86	287.61	556.00	792.82	287.61	556.00	792.82	18	5	30000	24000	36000	0	0	37	0
0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	63	35	22464	15000	27000	0	0	103	0
10150.60	0.00	20951.57	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0	0	0
28886.47	0.00	20093.55	258.04	251.80	757.32	258.04	251.80	757.32	19	2	40000	32000	48000	0	0	21	0



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

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

We have audited the financial statements of Wayne County Industrial Development Agency as of and for the year ended December 31, 2011, and have issued our report thereon dated March 28, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Wayne County Industrial Development Agency's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Wayne County Industrial Development Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Wayne County Industrial Development Agency's internal control over financial reporting.

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.

Our 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 the internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Wayne County Industrial Development Agency's financial statements are free of 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*.

This report is intended solely for the information and use of the Board of Directors, management, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

EFP Rotenberg, LLP

EFP Rotenberg LLP
Rochester, New York
March 28, 2012