

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
FINANCIAL STATEMENTS
DECEMBER 31, 2016

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of Wayne County Industrial Development Agency as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wayne County Industrial Development Agency as of December 31, 2016, and the changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 7, schedule of the agency's proportionate share of the net pension liability on page 22, and the schedule of employer's contributions on page 23 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Agency's basic financial statements. The supplemental schedules of Revolving Loan Funds on pages 25 to 26 and the schedule of Project Information on pages 27 to 28 are presented for purpose of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 24, 2017, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Wayne County Industrial Development Agency's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

EFPR Group, CPAs, PLLC
Rochester, New York
March 24, 2017

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Management's Discussion and Analysis
For the Year Ended December 31, 2016

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, 2016. This narrative should be read in conjunction with the Agency's audited financial statements.

Financial Highlights

- The assets and deferred outflows of the Agency exceed its liabilities and deferred inflows (net position) at December 31, 2016 by \$4,673,791. Of this amount, \$704,863 is *unrestricted net position*, meaning that these amounts are available for use in furthering the Agency's mission.
- The Agency's liquidity remains strong with \$854,273 in unrestricted cash after a \$175,408 increase in that balance due to an increase in revenues.
- An increase in loan demand together offset by regularly scheduled repayments resulted in an increase of \$398,069 or 23.9% 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:

- **Statement of Net Position** - Presents all assets, deferred outflows, liabilities, deferred inflows and net position of the Agency at December 31, 2016. The statement provides information about the amounts and investments in resources (assets) and the obligations to creditors (liabilities).
- **Statement of Activities** - Presents the financial activity for the year ended December 31, 2016 and displays how this activity changed the Agency's net position. The statement provides information on the Agency's operations and can be used to determine if the Agency has recovered all of its costs through grants, user fees and other charges.
- **Statement of Cash Flows** - Presents the cash provided and used in operations, investments and financing activities during 2016 and how it affects the cash balance at December 31, 2016.
- **Notes to Financial Statements** - Provide information regarding the Agency and explain in more detail information included in the financial statements.

Financial Analysis

The Agency provides financial incentives and technical assistance to businesses moving to or expanding in Wayne County where job and capital creation will help improve the economic climate of the County. The Agency's net position may serve over time as a useful indicator of its financial position. In the case of the Agency, assets and deferred outflows exceeded liabilities and deferred inflows by \$4,673,791 and \$4,549,670 at December 31, 2016 and 2015, respectively.

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
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 statements of net position follows:

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

	<u>2016</u>	<u>2015</u>	<u>Dollar Change</u>	<u>% Change</u>	<u>2014</u>	<u>Dollar Change</u>	<u>% Change</u>
Assets							
Cash and cash equivalents	\$ 854.3	\$ 678.9	\$ 175.4	25.8	\$ 734.8	\$ (55.9)	(7.6)
Restricted cash	1,479.4	1,880.8	(401.4)	(21.3)	1,498.3	382.5	25.5
Loans receivable - net	2,066.9	1,668.8	398.1	23.9	1,960.7	(291.9)	(14.9)
Property and equipment - net	409.7	411.3	(1.6)	(0.4)	407.3	4.0	0.1
Due from other funds	-	6.5	(6.5)	(100.0)	-	6.5	100.0
Other assets	18.8	21.8	(4.0)	(17.5)	22.1	(0.3)	(0.1)
Total assets	<u>4,829.1</u>	<u>4,668.1</u>	<u>161.0</u>	<u>3.4</u>	<u>4,623.2</u>	<u>44.9</u>	<u>1.0</u>
Deferred Outflows	<u>74.9</u>	<u>41.9</u>	<u>33.0</u>	<u>78.8</u>	<u>36.7</u>	<u>5.2</u>	<u>14.2</u>
Total Assets and Deferred Outflows	<u>4,904.0</u>	<u>4,710.0</u>	<u>194.0</u>	<u>4.1</u>	<u>4,659.9</u>	<u>50.1</u>	<u>1.1</u>
Liabilities							
Due to other governments	32.4	61.3	(28.9)	(47.1)	29.5	31.8	107.8
Due to other funds	-	6.5	(6.5)	(100.0)	-	6.5	100.0
Accounts and grants payable	62.9	7.6	55.3	727.6	20.5	(13.0)	(63.1)
Contract advances	95.0	75.0	20.0	26.7	75.0	-	-
Net pension liability	34.1	9.9	24.2	244.4	13.3	(3.4)	(25.6)
Total liabilities	<u>224.4</u>	<u>160.3</u>	<u>64.1</u>	<u>40.0</u>	<u>138.3</u>	<u>21.9</u>	<u>15.8</u>
Deferred Inflows	<u>5.8</u>	<u>-</u>	<u>5.8</u>	<u>100.0</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities and Deferred Inflows	<u>230.2</u>	<u>160.3</u>	<u>69.9</u>	<u>43.6</u>	<u>138.3</u>	<u>21.9</u>	<u>15.8</u>
Net investment in capital assets	409.7	411.3	(1.6)	(0.4)	407.3	4.0	1.0
Net position - restricted	3,559.2	3,554.0	5.2	0.1	3,452.6	101.4	2.9
Net position - unrestricted	704.9	584.4	120.5	20.6	661.7	(77.2)	(11.7)
Total net position	<u>\$4,673.8</u>	<u>\$4,549.7</u>	<u>\$ 124.1</u>	<u>2.7</u>	<u>\$4,521.6</u>	<u>\$ 28.2</u>	<u>0.6</u>

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Management's Discussion and Analysis
For the Year Ended December 31, 2016

Significant changes in the statement of net position from 2015 to 2016 include:

- Cash increased due to increase in income.
- Restricted cash increased and loans receivable increased as advances for new loans exceeded principal repayments received.
- Amounts due to other governments represent the balance of planning services funding received, but not spent by year end.
- 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, 2016, based on management's evaluation, the loan loss reserve was adequate to cover projected loan losses.

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

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

	<u>2016</u>	<u>2015</u>	<u>Dollar Change</u>	<u>% Change</u>	<u>2014</u>	<u>Dollar Change</u>	<u>% Change</u>
Revenues							
Contractual services and grants	\$ 585.4	\$ 481.3	\$ 104.1	21.6	\$ 518.0	\$ (36.7)	(7.1)
Agency fees	108.5	10.5	98.0	933.3	243.4	(232.9)	(95.7)
Interest - banks	1.4	2.0	(0.6)	(30.0)	1.4	0.6	42.9
Interest - loans	76.9	71.5	5.4	7.6	70.4	1.1	1.6
Loan recovery	18.6	-	18.6	100.0	-	-	-
Other income	9.2	22.5	(13.3)	(59.1)	1.9	20.6	1,084.2
Total revenues	<u>800.0</u>	<u>587.8</u>	<u>212.2</u>	<u>36.1</u>	<u>835.1</u>	<u>(247.3)</u>	<u>(29.6)</u>
Expenses							
Personnel	171.7	182.0	(10.3)	(5.7)	208.6	(26.6)	(12.8)
Program expense	98.9	99.9	(1.0)	(1.0)	135.7	(35.8)	(26.4)
Contractual services	276.4	241.9	34.5	14.3	218.4	23.5	10.8
Administrative and technical assistance	100.2	7.5	92.7	1,236.0	9.9	(2.4)	(24.2)
Loss on sale of land	-	-	-	-	2.7	(2.7)	(100.0)
Other expense	28.7	28.4	0.3	1.1	108.1	(79.7)	(73.7)
Total expenses	<u>675.9</u>	<u>559.7</u>	<u>116.2</u>	<u>20.8</u>	<u>683.4</u>	<u>(123.7)</u>	<u>(18.1)</u>
Change in Net Position	<u>124.1</u>	<u>28.1</u>	<u>96.0</u>	<u>341.6</u>	<u>151.7</u>	<u>(123.6)</u>	<u>(81.5)</u>
Net Position – Beginning	<u>4,549.7</u>	<u>4,521.6</u>	<u>28.1</u>	<u>0.6</u>	<u>4,369.9</u>	<u>175.2</u>	<u>4.0</u>
Net Position - Ending	<u>\$ 4,673.8</u>	<u>\$ 4,549.7</u>	<u>\$ 124.1</u>	<u>2.7</u>	<u>\$ 4,521.6</u>	<u>\$ 51.6</u>	<u>1.1</u>

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Management's Discussion and Analysis
For the Year Ended December 31, 2016

Significant changes in the statement of revenues and expenses from 2015 to 2016 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 \$173,400 to the Agency for contractual services in 2016 and 2015. The County has also appropriated funding to the Agency for business retention and attraction projects in the amount of \$299,550 for 2016 and \$174,062 for 2015, an increase of \$9,821 or 5.6%. In 2014 the contract with the County for services was amended to include an appropriation of \$141,780 for planning services provided by County employees. \$112,419 was advanced for this purpose in 2016.
- Overall, revenues increased primarily due to the increase in the agency fees charged for projects.
- There was a loan recovery in 2016 which reflects the recovery of previous loan losses.
- Contractual expenses increased reflecting a general increase in operating expenses.

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>2016</u>	<u>2015</u>	<u>2014</u>
Cash Flows from Operating Activities			
Receipts from providing services	\$ 585.3	\$ 473.0	\$ 510.9
Payments to suppliers	(386.5)	(384.0)	(361.0)
Payments to employees	(171.8)	(182.0)	(216.6)
Other operating revenue	147.7	42.4	349.0
Net cash flows from operating activities	<u>174.7</u>	<u>(50.6)</u>	<u>282.3</u>
Cash Flows from Capital and Related Financing Activities			
Purchases of property and equipment	<u>-</u>	<u>(6.0)</u>	<u>-</u>
Cash Flows from Investing Activities			
Investment income	.7	1.1	.6
Certificates of deposit	(.2)	(.6)	(.1)
Net cash flows from investing activities	<u>.5</u>	<u>.5</u>	<u>.5</u>
Net Change in Cash and Cash Equivalents	175.2	(56.1)	282.8
Cash and Cash Equivalents - Beginning	<u>601.3</u>	<u>657.4</u>	<u>374.6</u>
Cash and Cash Equivalents - Ending	<u>\$ 776.5</u>	<u>\$ 601.3</u>	<u>\$ 657.4</u>

Significant changes in the statement of cash flows include:

- Receipts from providing services increased as a result of an increase in grant income.
- Other operating revenue increased due to the increase in agency fees collected.
- Purchase of property and equipment is for website redesign in the prior year.

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Management's Discussion and Analysis
For the Year Ended December 31, 2016

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 entered into conduit financing agreements with one company that was paid off during 2016. These transactions are not recorded on the Agency's financial statements but are disclosed in the notes to the financial statements.

Economic and Other Factors

The Agency was formed to promote Wayne County using appropriate resources to help create and retain jobs by attracting new businesses and through expansion of existing businesses. In 2015, New York State's Upstate Revitalization Initiative (URI) awarded \$500 million to the Finger Lakes Region which will provide the area with an opportunity to advance transformational initiatives throughout the region and advance targeted initiatives which is intended to include projects throughout Wayne County in advanced manufacturing, innovation and R&D, downtown development, agriculture, and tourism.

Contacting the Agency

This financial report is designed to provide a general overview of the Agency's finances for interested individuals. Questions regarding this report or requests for additional information should be directed to the Wayne County Industrial Development Agency, 9 Pearl Street, Lyons, New York 14489 - Attention: Executive Director.

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Statement of Net Position
December 31, 2016

	<u>Operating Fund</u>	<u>Non- Operating Revolving Loan Funds</u>	<u>Total All Funds</u>
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 776,509	\$ -	\$ 776,509
Certificate of deposits	77,764	-	77,764
Restricted cash	-	1,450,505	1,450,505
Restricted certificate of deposit	28,919	-	28,919
Prepaid expenses	5,844	-	5,844
Due from other governments	-	1,000	1,000
Loans receivable - net of allowance for loan losses	-	2,066,911	2,066,911
Interest receivable	-	<u>11,897</u>	<u>11,897</u>
Total current assets	<u>889,036</u>	<u>3,530,313</u>	<u>4,419,349</u>
Property and Equipment - Net	<u>409,696</u>	<u>-</u>	<u>409,696</u>
Total Assets	1,298,732	3,530,313	4,829,045
DEFERRED OUTFLOWS			
Pension	<u>74,918</u>	<u>-</u>	<u>74,918</u>
Total Assets and Deferred Outflows	<u>\$ 1,373,650</u>	<u>\$ 3,530,313</u>	<u>\$ 4,903,963</u>
LIABILITIES, DEFERRED OUTFLOWS AND NET POSITION			
Current Liabilities			
Due to other government	\$ 32,372	\$ -	\$ 32,372
Contract advances	95,000	-	95,000
Accounts payable	<u>62,861</u>	<u>-</u>	<u>62,861</u>
Total current liabilities	<u>190,233</u>	<u>-</u>	<u>190,233</u>
Long Term Liabilities			
Net pension liability	<u>34,158</u>	<u>-</u>	<u>34,158</u>
Total liabilities	224,391	-	224,391
DEFERRED INFLOWS			
Pension	<u>5,781</u>	<u>-</u>	<u>5,781</u>
Total Liabilities and Deferred Inflows	<u>230,172</u>	<u>-</u>	<u>230,172</u>
Net Position			
Net investment in capital assets	409,696	-	409,696
Restricted for revolving funds	-	3,530,313	3,530,313
Restricted for certificates of deposit	28,919	-	28,919
Unrestricted	<u>704,863</u>	<u>-</u>	<u>704,863</u>
Total net position	<u>1,143,478</u>	<u>3,530,313</u>	<u>4,673,791</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 1,373,650</u>	<u>\$ 3,530,313</u>	<u>\$ 4,903,963</u>

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

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2016

	<u>Operating Fund</u>	<u>Non- Operating Revolving Loan Funds</u>	<u>Total All Funds</u>
Revenues			
Contractual services and grants	\$ 585,369	\$ -	\$ 585,369
Agency and administrative fees	108,502	-	108,502
Interest - loans	-	76,874	76,874
Interest - banks	681	763	1,444
Loan recovery	-	18,653	18,653
Other revenue	141	9,053	9,194
Total revenues	<u>694,693</u>	<u>105,343</u>	<u>800,036</u>
Expenses			
Program expense	98,883	-	98,883
Contractual services	276,373	-	276,373
Salaries	116,061	-	116,061
Employee benefits	55,645	-	55,645
Administrative and technical assistance	120	100,091	100,211
Depreciation	1,612	-	1,612
Occupancy	7,130	-	7,130
Project expense	20,000	-	20,000
Total expenses	<u>575,824</u>	<u>100,091</u>	<u>675,915</u>
Change in Net Position	118,869	5,252	124,121
Net Position - Beginning	<u>1,024,609</u>	<u>3,525,061</u>	<u>4,549,670</u>
Net Position - Ending	<u>\$ 1,143,478</u>	<u>\$ 3,530,313</u>	<u>\$ 4,673,791</u>

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

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Statement of Cash Flows
For the Year Ended December 31, 2016

	<u>Operating Fund</u>	<u>Non- Operating Revolving Loan Funds</u>	<u>Total All Funds</u>
Cash Flows from Operating Activities			
Receipts from providing services	\$ 585,369	\$ -	\$ 585,369
Payments to suppliers for goods and services	(386,549)	(107,365)	(493,914)
Payments to employees	(171,826)	-	(171,826)
Other operating revenue	<u>147,733</u>	<u>9,053</u>	<u>156,786</u>
Net cash flows from operating activities	<u>174,727</u>	<u>(98,312)</u>	<u>76,415</u>
Cash Flows from Investing Activities			
Certificates of deposit	(156)	-	(156)
Investment income	681	763	1,444
Loan interest received	-	75,594	75,594
Development loans repaid	-	(398,069)	(398,069)
Loan recovery	<u>-</u>	<u>18,653</u>	<u>18,653</u>
Net cash flows from investing activities	<u>525</u>	<u>(303,059)</u>	<u>(302,534)</u>
Net Change in Cash and Cash Equivalents	175,252	(401,371)	(226,119)
Cash and Cash Equivalents - Beginning	<u>601,257</u>	<u>1,851,876</u>	<u>2,453,133</u>
Cash and Cash Equivalents - Ending	<u>\$ 776,509</u>	<u>\$ 1,450,505</u>	<u>\$ 2,227,014</u>
Reconciliation of Change in Net Position to Net Cash Flows from Operating Activities			
Change in net position	\$ 118,869	\$ 5,252	\$ 124,121
Adjustments			
Depreciation	1,612	-	1,612
Investment income	(681)	(763)	(1,444)
Loan interest income	-	(76,874)	(76,874)
Loan recovery	-	(18,653)	(18,653)
Change in assets and liabilities			
Prepaid expenses	4,348	-	4,348
Due from other funds	6,500	-	6,500
Accounts payable	56,005	-	56,005
Due to other government	(28,896)	-	(28,896)
Grants payable	-	(774)	(774)
Contract advances	20,000	-	20,000
Due to other funds	-	(6,500)	(6,500)
Net pension liability	<u>(3,030)</u>	<u>-</u>	<u>(3,030)</u>
Net Cash Flows from Operating Activities	<u>\$ 174,727</u>	<u>\$ (98,312)</u>	<u>\$ 76,415</u>

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

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

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

Nature of Organization - Wayne County Industrial Development Agency (WCIDA) of Lyons, New York is a nonprofit public benefit corporation which was established May 22, 1969, under the mandate of Article 18-A, "New York State Industrial Development Agency Act" of New York State general municipal law. The purpose of WCIDA is to advance the job opportunities, health, general propensity and economic welfare of the people of Wayne County, New York (the County) and improve their recreation opportunities and standard of living. WCIDA is considered a related organization of the County of Wayne, New York.

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

Basis of Accounting - The Agency complies with the provisions of GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This statement codifies all sources of accounting principles generally accepted in the United States of America into the GASB's authoritative literature.

The accounts of the Agency are maintained on the accrual basis of accounting. Proprietary funds are used to account for activities that are similar to those often found in the private sector. The measurement focus is on the determination of operating income, financial position, changes in net position and cash flows. Operating revenues include charges for services. Operating expenses include costs of services as well as, materials, contracts, personnel, and depreciation.

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

Basis of Presentation - The Agency complies with the provisions of GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and Statement No. 65, *Items Previously Reported as Assets and Liabilities*. These statements provide guidance on presenting deferred outflows, deferred inflows and net position. Net position represents assets and deferred outflows of resources less liabilities and deferred inflows of resources. GASB requires the classification of net position into three classifications defined as follows:

Net investment in capital assets - This component of net position consists of net capital assets reduced by outstanding balances of any related debt obligations and deferred inflows of resources attributable to the acquisition, construction, or improvement of those assets and increased by balances of deferred outflows of resources related to those assets.

Restricted net position - This component of net position is considered restricted if its use is constrained to a particular purpose. Restrictions are imposed by federal or state laws or external organizations. Restricted net position is reduced by liabilities and deferred inflows of resources related to the restricted assets. At December 31, 2016, the Agency had \$3,559,232 in restricted net position.

Unrestricted net position - This component of net position consists of all other net position that does not meet the definition of the above two components and is available for general use by the Agency.

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

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

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

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

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

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

Equipment

5 - 7 Years

Allowance for Loan Losses - The allowance for loan losses consists of the provision for loan losses charged to operations based upon management's evaluation of the loan portfolio considering such factors as historical loan experience, review of specific loans, current economic conditions and such other factors as management considers appropriate to estimate loan losses. Loan losses and the recovery of loans previously charged off are charged or credited to the allowance as incurred or realized, respectively. The allowance for loan losses is maintained at a level believed by management to be adequate to provide for the inherent risk of loss in the current loan portfolio. While management uses available information to recognize losses on loans, future additions to the allowance may be necessary based on changes in economic conditions.

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

Due to Other Government - Due to other government consisted of amounts due to Wayne County for planning services.

Contract Advances - Contract advances are stated at the amount specified in the contract agreements.

Accounting and Financial Reporting for Pensions - The Agency complies with GASB Statement No. 68 *Accounting and Financial Reporting for Pensions – An Amendment to GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - An Amendment of GASB Statement No. 68*. The primary objective of the Statements is to improve accounting and financial reporting by state and local governments for pensions. The implementation of the Statements requires the Agency to report as a liability its portion of the collective pension liability in the New York State and Local Employees' Retirement System. The implementation of the Statements also requires the Agency to report a deferred outflow and/or inflow for the effect of the net change in the Agency's proportion of the collective net pension liability and difference during the measurement period between the Agency's contributions and its proportion share of total contributions to the pension systems not included in pension expense. Also included as a deferred outflow is the Agency contributions to the pension system subsequent to the measurement date.

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

Deferred Outflows and Inflows - In addition to assets, the statement of net position will sometimes report a separate section of deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense / expenditure) until then. The Agency has two items that qualify for reporting in this category, with both related to pensions reported in the statement of net position. One represents the effect of the net change in the Agency's proportion of the collective net pension asset or liability and difference during the measurement period between the Agency's contributions and its proportion share of total contributions to the pension systems not included in pension expense, difference between expected and actual experience, changes of assumptions and difference between projected and actual investment earnings on pension plan investments. The second item is the Agency's contributions to the pension system subsequent to the measurement date.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Agency has one item that qualify for reporting in the category. The item is related to pensions reported in the statement of net position. This represents the effect of the net change in the Agency's proportion of the collective net pension liability (ERS System) and difference during the measurement periods between the Agency's contributions and its proportion share of total contributions to the pension system not included in pension expense.

Future Changes in Accounting Standards

GASB Statement No. 74 - "Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans." This Statement, issued in June 2015, replaces existing standards of accounting and financial reporting for postemployment benefit plans other than pension plans and also replaces existing requirements for defined contribution OPEB plans. The provisions of this Statement are effective for financial statements for fiscal years beginning after June 15, 2016, which is the fiscal year beginning January 1, 2017 for the Agency. This statement is not expected to have a material impact on the financial statements of the Agency.

GASB Statement No. 75 - "Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions." This Statement, issued in June 2015, establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain non-employer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. This Statement is effective for fiscal years beginning after June 15, 2017, which is the fiscal year beginning January 1, 2018 for the Agency. This Statement is not expected to have a material effect on the financial statements of the Agency.

GASB Statement No. 80 - "Blending Requirements for Certain Component Units - an Amendment of GASB Statement No. 14." This Statement, issued in January 2016, amends the blending requirements for the financial statement presentation of component units of all state and local governments. It requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The provisions of this Statement are effective for financial statements for years beginning after June 15, 2016, which is the fiscal year beginning January 1, 2017 for the Agency. The effects of this statement on the financial statements of the Agency are currently not determinable.

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

GASB Statement No. 81 - "Irrevocable Split-Interest Agreements." This Statement, issued in March 2016, establishes accounting and reporting standards for irrevocable split-interest agreements with characteristics that are equivalent to irrevocable split-interest agreements in which a donor irrevocably transfers resources to an intermediary who administers these resources for the unconditional benefit of a government and at least one other beneficiary. The provisions of this Statement are effective for financial statements for years beginning after December 15, 2016. For the Agency, this statement becomes effective for the fiscal year beginning January 1, 2017. This Statement is not expected to have a material effect on the financial statements of the Agency.

GASB Statement No. 82 - "Pension Issues - an Amendment of GASB Statements No. 67, No. 68, and No. 73." This Statement, issued in March 2016, addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, which is the fiscal year beginning January 1, 2017 for the Agency, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017, which is the fiscal year beginning January 1, 2018 for the Agency. This Statement is not expected to have a material effect on the financial statements of the Agency.

GASB Statement No. 83 - "Certain Asset Retirement Obligations." This Statement, issued in November 2016, addresses accounting and financial reporting for certain asset retirement obligations (AROs). Governments that have legal obligations to perform certain future asset retirement activities related for tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018, which is the fiscal year beginning January 1, 2019 for the Agency. This Statement is not expected to have a material effect on the financial statements of the Agency.

GASB Statement No. 84 - "Fiduciary Activities." This Statement, issued in January 2017, established criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. This Statement is effective for reporting periods beginning after December 15, 2018, which is the fiscal year beginning January 1, 2019 for the Agency. This Statement is not expected to have a material effect on the financial statements of the Agency.

Note 2. Deposit and Investments

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

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

As of December 31, 2016, WCIDA had certificates of deposit held at banks as follows:

Unrestricted

A six month certificate of deposit at Savannah Bank with interest at .25% maturing on April 20, 2017. \$ 77,764

Restricted

A twelve month certificate of deposit at Lyons National Bank with interest at .75% maturing on February 20, 2018. Use of funds is restricted to unemployment insurance claims. \$ 28,919

The certificates of deposit are fully collateralized as of December 31, 2016.

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, 2016 excluding certificates of deposit are as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Demand and savings deposits	\$ <u>2,227,014</u>	\$ <u>2,287,426</u>
Covered by FDIC insurance		\$ 693,321
Pledged collateral		<u>1,594,105</u>
Total deposits		\$ <u>2,287,426</u>

Note 3. Related Party Transactions

Contractual Services - The County has engaged WCIDA to foster and encourage the location and/or expansion of industrial or manufacturing plants in the County. For this activity the County appropriated \$173,400 to the Agency for contractual services at December 31, 2016. The County has also appropriated funding to the Agency for business retention and attraction projects in the amount of \$299,550 for 2016. In addition, the County has appropriated funding for planning services provided by County employees in the amount of \$112,419 at December 31, 2016.

At December 31, 2016, no outstanding amounts were owed by the County.

At December 31, 2016, \$32,372 is due back to the County for unused funds.

Agency Fees - Agency fees, resulting from the establishment of PILOT agreements, amounted to \$106,423 for the year ended December 31, 2016.

Related Entities - The Agency is related through common management and Board of Directors membership with Wayne Economic Development Corporation (WEDC) and Wayne Industrial Sustainability Development Corporation (WISDC) and through common management with Wayne County Civic Facility Development Corporation (WCFDC), which also promote economic development in the County.

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

Note 4. Fair Value Measurements

In accordance with GASB Statement No. 72, Fair Value Measurement and Application, a framework has been established for measuring fair value of loans receivable. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Agency has the ability to access.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Agency believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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 net position and reported as a reservation of net position. Thus, grants received from outside sources which will be used to make loans from a revolving fund are recorded as a non-operating revenue.

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

Total revolving loans receivable from various commercial enterprises as of December 31, 2016 were \$2,146,068. The loans have an associated allowance for loan losses of \$79,157 resulting in net loans receivable of \$2,066,911.

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

At December 31, 2016, total interest receivable due on revolving loans amounted to \$11,897. In addition, at December 31, 2016, total loans included in the revolving loan funds on a non-accrual status amounted to approximately \$20,890. Interest on these loans is recorded when paid to WCIDA. At December 31, 2016 interest not received or recorded amounted to \$3,683.

The table that follows presents a summary of changes in the fair value of each organizations level 3 assets (loans receivable) for the year end December 31, 2016:

	<u>WCIDA</u> <u>Revolving</u> <u>Loan Fund</u>	<u>Small Cities</u> <u>Loan Fund -</u> <u>Micro</u>	<u>Small Cities</u> <u>Loan Fund -</u> <u>Main St.</u>	<u>Agri</u> <u>Business</u> <u>Loan Fund</u>	<u>Other Loan</u> <u>Fund</u>
Balance at beginning of year	\$ 1,589,088	\$ 56,661	\$ 23,213	\$ 91,858	\$ 5,833
Add, loans issued	666,000	-	-	-	-
Less, amounts paid	(220,657)	(12,983)	(10,960)	(40,785)	(1,200)
Less, amounts written off	-	-	-	-	-
Balance at end of year	<u>\$ 2,034,431</u>	<u>\$ 43,678</u>	<u>\$ 12,253</u>	<u>\$ 51,073</u>	<u>\$ 4,633</u>

Note 6. Property and Equipment

Property and equipment consists of the following at December 31, 2016:

Land	\$ 400,238
Equipment	19,542
Work in progress	6,000
Sub-total	<u>425,780</u>
Less - accumulated depreciation	<u>(16,084)</u>
Property and equipment - net	<u>\$ 409,696</u>

Note 7. Industrial Revenue Bonds

WCIDA has entered into the following conduit financing arrangements where the primary function of WCIDA was to arrange financing through the issuance of Industrial Revenue Bonds between the companies identified below and the bond holders. As conduit financing arrangements, the assets and liabilities resulting from the transactions are not recorded in these financial statements. The Agency had an arrangement with Seneca Foods Corporation that was fully paid during 2016.

Note 8. Payments in Lieu of Taxes (PILOTs)

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 (PILOTs) are often negotiated with the private developer. PILOTs 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 41 organizations participated in the PILOTs program and \$1,327,385 in payments were administered by WCIDA for the year ended December 31, 2016. The PILOT payments are not recorded on the financial statements.

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

Note 9. Employee Benefit Plan

Plan Description and Funding Policy

The Agency participates in the New York State and Local Employees' Retirement System (ERS). This is a cost-sharing multiple-employer defined benefit retirement system. The System provides retirement benefits as well as death and disability benefits. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in plan net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefits provided, may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0 to 3.5 percent of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31.

Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

2016	\$	25,458
2015	\$	17,033
2014	\$	36,704

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The Agency's proportion of the net pension liability was based on a projection of the Agency's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS System in reports provided to the Agency. At December 31, 2016, the Agency reported the following liability for its proportionate share of the net pension liability for the System, which was measured as of March 31, 2016:

Actuarial valuation date	4/1/2015
Net pension liability	\$ 34,158
Agency's portion of the Plan's total net pension liability	0.0002128 %

For the years ended December 31, 2016, the Agency's recognized pension expense for ERS of \$27,041. At December 31, 2016 the Agency's reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

	<u>Deferred Outflows</u>	<u>Deferred Inflows</u>
Differences between expected and actual experience	\$ 173	\$ 4,049
Changes in assumptions	9,109	\$ -
Net difference between projected and actual investment earnings on pension plan investments	20,264	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	19,914	1,732
Employer contributions subsequent to the measurement date	<u>25,458</u>	<u>-</u>
Total	<u>\$ 74,918</u>	<u>\$ 5,781</u>

Agency contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the years ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

For the fiscal year ended:	
2017	\$ 12,129
2018	\$ 12,129
2019	\$ 12,129
2020	\$ 7,291

Actuarial Assumptions

The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following actuarial assumptions:

Significant actuarial assumptions used in the valuations were as follows:

Measurement date	3/31/2016
Actuarial valuation date	4/1/2015
Interest rate	7.0%
Salary scale	3.8% average
Inflation	2.5%
Decrement table	April 1, 2010 - March 31, 2015 System's Experience

Annuitant mortality rates are based on April 1, 2010 - March 31, 2016 System's experience with adjustments for mortality improvements based on MP-2014.

The actuarial assumptions used in the April 1, 2016 valuation are based on the results of an actuarial experience study for the period April 1, 2010 - March 31, 2015.

The long term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by each the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

<u>Asset Type</u>	Long Term Expected Real Rate
Domestic equity	7.3 %
International equity	8.6
Private equity	11.0
Real estate	8.3
Absolute return strategies	6.8
Opportunistic portfolio	8.6
Real assets	8.7
Bonds and mortgages	4.0
Cash	2.3
Inflation-indexed bonds	4.0

Discount Rate

The discount rate used to calculate the total pension liability was 7.0% for the year ended December 31, 2016. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the proportionate share of the net pension liability to changes in the discount rate assumption

The following presents the Agency's proportionate share of the net pension liability as of December 31, 2016, calculated using the discount rate of 7.0% per annum (the "current rate"), as well as what the Agency's proportionate share of the net position liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.0%) or 1% point higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
Wayne County Industrial Development Agency's proportionate share of the Net Pension Liability	\$ 77,024	\$ 34,158	\$ (2,062)

Pension Plan Fiduciary Net Position

The components (in millions) of the current year net pension liability of the employers as of valuation date was as follows:

Valuation date	4/1/2015
Employers' total pension liability	\$ 172,303
Plan net position	<u>(156,253)</u>
Employers' net pension liability	<u>\$ 16,050</u>

Ratio of plan net position to the employers' total pension liability	90.7 %
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WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

Note 10. Budget Comparison

The following is a comparison of budgeted expenditures to actual expenditures for the year ended December 31, 2016:

	<u>Budget</u>	<u>Actual</u>	<u>Difference</u>
Program/contractual services/other	\$ 404,350	\$ 495,467	\$ (91,117)
Salaries	120,000	116,061	3,939
Employee benefits	48,750	55,645	(6,895)
Depreciation	1,400	1,612	(212)
Occupancy	<u>7,850</u>	<u>7,130</u>	<u>720</u>
Total	<u>\$ 582,350</u>	<u>\$ 675,915</u>	<u>\$ (93,565)</u>

The major variance to the budget during 2016 was in the area of program and contractual expenses in the amount of \$91,117. This was due primarily to more than anticipated funding of the new area of planning and special projects for new grants.

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Schedule of Agency's Proportionate Share of the Net Pension Liability
For The Year Ended December 31, 2016

	<u>2016</u>	<u>2015</u>	<u>2014</u>
The Agency's proportion of the net pension liability	0.0002128 %	0.0002935 %	0.0002935 %
The Agency's proportionate share of the net pension liability	\$ 34,158	\$ 9,915	\$ 13,264
The Agency's covered employee payroll	\$ 116,061	\$ 136,369	\$ 135,732
The Agency's proportionate share of the net pension liability as a percentage of covered employee payroll	29.43 %	7.27 %	9.77 %
Plan fiduciary net position as a percentage of the total pension liability	90.70 %	97.20 %	97.20 %

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Schedule of Employers Contributions
For The Year Ended December 31, 2016

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Contractually required contribution	\$ 25,458	\$ 17,033	\$ 36,704	\$ 51,604	\$ 49,831	\$ 39,619	\$ 28,289	\$ 16,670	\$ 19,066	\$ 19,621
Contribution in relation to the contractually required contribution	<u>25,458</u>	<u>17,033</u>	<u>36,704</u>	<u>51,604</u>	<u>49,831</u>	<u>39,619</u>	<u>28,289</u>	<u>16,670</u>	<u>19,066</u>	<u>19,621</u>
Contribution deficiency (excess)	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -
Contribution as a percentage of covered employee payroll	21.94 %	12.49 %	27.04 %	23.54 %	20.84 %	16.32 %	11.89 %	7.34 %	8.86 %	9.74 %

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Schedule of Agency's Proportionate Share of the Net Pension Liability
For The Year Ended December 31, 2016

Note 1. Schedule of Agency's Proportionate Share of the Net Pension Liability and Schedule of Employer's Contributions

The information presented in these required supplementary schedules was determined as part of the audit of the New York State Employees' Retirement System Plan. Additional information for the pension schedules can be found in the notes to the financial statements.

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Supplemental Schedule of Revolving Loan Funds
Combining Statements of Net Position
December 31, 2016

	<u>WCIDA Revolving Loan Fund</u>	<u>Small Cities Loan Fund - Micro</u>	<u>Small Cities Loan Fund - Main St.</u>	<u>Small Cities Loan Fund - Optimax</u>	<u>Agri Business Loan Fund</u>	<u>Other Loan Fund</u>	<u>Total Revolving Loan Funds</u>
ASSETS							
Assets							
Restricted cash	\$ 385,445	\$ 168,920	\$ 55,479	\$ 222,739	\$ 326,917	\$ 291,005	\$ 1,450,505
Due from other governments	-	-	-	1,000	-	-	1,000
Loans receivable - net of allowance for loan losses	1,973,342	32,529	8,024	-	49,541	3,475	2,066,911
Interest receivable	<u>7,601</u>	<u>3,582</u>	<u>38</u>	<u>-</u>	<u>676</u>	<u>-</u>	<u>11,897</u>
Total Assets	<u>\$ 2,366,388</u>	<u>\$ 205,031</u>	<u>\$ 63,541</u>	<u>\$ 223,739</u>	<u>\$ 377,134</u>	<u>\$ 294,480</u>	<u>\$ 3,530,313</u>
LIABILITIES AND NET POSITION							
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position							
Restricted revolving funds	<u>2,366,388</u>	<u>205,031</u>	<u>63,541</u>	<u>223,739</u>	<u>377,134</u>	<u>294,480</u>	<u>3,530,313</u>
Total net position	<u>2,366,388</u>	<u>205,031</u>	<u>63,541</u>	<u>223,739</u>	<u>377,134</u>	<u>294,480</u>	<u>3,530,313</u>
Total Liabilities and Net Position	<u>\$ 2,366,388</u>	<u>\$ 205,031</u>	<u>\$ 63,541</u>	<u>\$ 223,739</u>	<u>\$ 377,134</u>	<u>\$ 294,480</u>	<u>\$ 3,530,313</u>

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Supplemental Schedule of Revolving Loan Funds
Combining Statements of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2016

	<u>WCIDA Revolving Loan Fund</u>	<u>Small Cities Loan Fund - Micro</u>	<u>Small Cities Loan Fund - Main St.</u>	<u>Small Cities Loan Fund - Optimax</u>	<u>Agri Business Loan Fund</u>	<u>Other Loan Fund</u>	<u>Total Revolving Loan Funds</u>
Revenues							
Interest - loans	\$ 73,217	\$ 959	\$ 197	\$ -	\$ 2,501	\$ -	\$ 76,874
Interest - banks	219	81	27	111	180	145	763
Miscellaneous income	6,525	-	-	-	-	2,528	9,053
Loan recovery	<u>-</u>	<u>9,653</u>	<u>261</u>	<u>-</u>	<u>15,532</u>	<u>2,292</u>	<u>27,738</u>
Total revenues	<u>79,961</u>	<u>10,693</u>	<u>485</u>	<u>111</u>	<u>18,213</u>	<u>4,965</u>	<u>114,428</u>
Expenses							
Administrative and technical assistance	<u>51</u>	<u>1,960</u>	<u>10,345</u>	<u>-</u>	<u>87,735</u>	<u>-</u>	<u>100,091</u>
Loan loss	9,085	-	-	-	-	-	9,085
Change in Net Position	70,825	8,733	(9,860)	111	(69,522)	4,965	5,252
Net Position - Beginning	<u>2,295,563</u>	<u>196,298</u>	<u>73,401</u>	<u>223,628</u>	<u>446,656</u>	<u>289,515</u>	<u>3,525,061</u>
Net Position - Ending	<u>\$ 2,366,388</u>	<u>\$ 205,031</u>	<u>\$ 63,541</u>	<u>\$ 223,739</u>	<u>\$ 377,134</u>	<u>\$ 294,480</u>	<u>\$ 3,530,313</u>

Wayne County Industrial Development Agency
Project Information
December 31, 2016

* Project Code	* Project Name	* Is this project part of or related to an existing multi-phase project?	If Yes: What is the original project code?	* Project Purpose Category	* Total Project Amount	* Benefitted Project Amount	Benefit/Note Amount	Annual Lease Payment	Federal Tax Status of Bonds	Is the applicant a Not-for-Profit corporation?	* Date Project Approved	* Did the IDA take title or leasehold interest to the property?	Date IDA Took Title or Leasehold Interest in Property	* Year Financial Assistance is Planned to End	Notes
5401-15-02A	1000 Silverhill, LLC	N		Finance, Insurance	3600000	2880000	0			N	09/25/2015	Y	11/12/2015	2022	Acquisition of 77,000 sq.ft. facility
5401-14-07A	Advanced Atomization Technology	N		Manufacturing	3000000	6002600	0			N	09/25/2014	Y	10/03/2014	2026	Construction 25,000 sq. ft. addition and renovation and equipping existing 67,020 sq.ft. facility
5401-12-02A	AEY Development, LLC	N		Finance, Insurance	707000	677000	0			N	03/23/2012	Y	04/04/2012	2023	Construction and Equipping 10,000 sq. ft. facility
5401-16-04A	Altra Rental and Supply, Inc.	N		Services	845000	815000	0			N	12/16/2016	Y	12/20/2016	2027	Acquisition of 6.04 acres, bldg improvements 4400 sq ft, 11,500 sq ft additon for equip, whs and sales facility
5401-08-01A	CIDC	N		Other Categories	417500	417500	0			N	02/22/2008	Y	02/01/2008	2018	Acquisition of approximately 20 parcels of property constituting in aggregate less than 100 acres.
5401-04-02A	CL Enterprises LLC	N		Manufacturing	220000	206000	0			N	09/01/2004	Y	02/27/2006	2017	Construction and equipping of 9,600 sq.ft. addition to existing facility
5401-14-05A	DNT Express	N		Transportation, Co	2437849	2247000	0			N	09/17/2014	Y	09/24/2014	2024	Construction and equipping of 37,500 sq.ft. addition to existing facility
5401-10-04A	Empire Fruit Growers Cooperative,	N		Agriculture, Fores	5722500	5580000	0			N	09/24/2010	Y	01/11/2011	2021	Construction and equipping 70,000 sq.ft. facility
5401-05-03A	Garlock Sealing Technologies	N		Manufacturing	3700000	3700000	0			N	12/28/2005	Y	03/27/2006	2025	Acquisition of existing facility and construction and equipping 170,000 sq.ft. addition
5401-00-02A	Halstead Machine, Inc.	N		Manufacturing	291000	279500	0			N	10/22/2007	Y	10/22/2007	2019	Construction and equipping a 3,500 sq.ft. addition to existing facility
5401-08-04A/B	JAMKO Industrial Development, L	N		Manufacturing	1230000	1200000	0			N	10/24/2008	Y	11/01/2008	2019	Construction, and equipping of 17,000 sq.ft. warehouse, office and manufacturing facility
5401-11-03A	K.M. Davis - 2	N		Agriculture, Fores	4476417	3846769	0			N	06/03/2011	Y	08/01/2011	2022	Construction, Renovation and equipping 37,368 sq.ft. facility
5401-10-05A	Kairos, LLC/Ankom 2	N		Manufacturing	702500	600000	0			N	09/25/2010	Y	12/15/2010	2021	Construction and equipping 8,000 sq.ft. addition to existing facility
5401-06-01A	Koch Acquisitions/Ariel Optics	N		Manufacturing	428400	340000	0			N	02/13/2006	Y	03/29/2006	2017	Construction and equipping 6,000 sq.ft. facility
5401-16-02A	L & P Properties of Sodus, NY	N		Other Categories	1900000	1735000	0			N	4/22/2016	Y	4/25/2016	2027	Acquisition of 80 acres, improvements to existing 45,000 sq ft bldg, vehicle sales & repairs
5401-09-01A	Legendary Auto	N		Manufacturing	1800000	1800000	0			N	04/16/2009	Y	06/01/2009	2020	Construction and equipping 50,000 sq.ft. facility
5401-11-02A	Lyons Logistics, LLC	N		Manufacturing	1641500	1250000	0			N	06/03/2011	Y	10/10/2011	2022	Acquisition, renovation and equipping of 131,610 sq.ft. facility
5401-16-01A	McAlpin Industries, Inc.	N		Manufacturing	5090000.00	5000000.00	0			N	3/15/2016	Y	3/29/2016	2027	Construction and equipping of 120,000 sq ft facility
5401-08-03A	Marshall Farms - Pet Products	N		Agriculture, Fores	696000	675000	0			N	10/24/2008	Y	11/01/2008	2019	Construction, and equipping of 20,000 sq ft. warehouse facility addition
5401-08-06A	Marshall Farms Group	N		Agriculture, Fores	2021000	2000000	0			N	11/21/2008	Y	06/01/2009	2020	Construction and equipping two 11,746 buildings at existing facility.
5401-10-03A	Marshall Ingredients	N		Agriculture, Fores	1950000	1880000	0			N	08/24/2010	Y	10/25/2010	2021	Construction and equipping of 27,000 sq.ft. facility
5401-11-01A	MaxPro	N		Manufacturing	6212800	5656500	0			N	04/23/2011	Y	06/02/2011	2023	Construction and equipping of 20,000 sq.ft. building addition.
5401-10-02A	Midland Asphalt Materials, Inc.	N		Manufacturing	5967951	5847802	0			N	06/25/2010	Y	12/29/2010	2021	Construction and equipping processing and storage improvements at existing facility
5401-15-01A	Murphy 2	N		Finance, Insurance	801000	801000	0			N	01/16/2015	Y	02/25/2015	2025	Acquisition and improvement of 30,000.ft facility.
5401-12-03A	Murphy/Dau	N		Manufacturing	550000	550000	0			N	08/24/2012	Y	09/26/2012	2023	Addition of 20,000 sq.ft. to 40,000 sq.ft. facility.
5401-16-03A	Newchem, Inc.	N		Manufacturing	3767000.00	3522000.00	0			N	9/25/2014	Y	9/23/2016	2027	Acquisition of 6.87 acres of land and construction of 20,000 sq.ft. manufacturing facility
5401-12-04A	NMM Properties, LLC	N		Retail Trade	1904000	1840000	0			N	09/28/2012	Y	11/08/2012	2023	Acquisition and improvement of 73,278 sq.ft. retail space.
5401-06-05A	N. Development - Biodiesel	N		Manufacturing	915470	840000	0			N	07/24/2006	Y	10/11/2006	2022	Construction and equipping of 20,000 sq.ft. facility
5401-99-02A	N. Development - Harbec	N		Manufacturing	1785000	1541000	0			N	05/10/1999	Y	11/01/1999	2020	Construction and equipping 17,000 sq. ft. addition to existing facility
5401-12-01A	Northern Development - Wind	N		Other Categories	105000	105000	1061.20			N	02/24/2012	Y	02/24/2012	2021	Lease of property for wind turbine project.
5401-13-03A	Optipro Systems, LLC	N		Manufacturing	500000	475000	0			N	09/27/2013	Y	10/25/2013	2024	Construction and equipping 10,000 sq.ft. addition to existing facility
5401-04-03A	Palmyra Inn Investment, LLC	N		Services	3410000	3163100	0			N	10/18/2004	Y	02/23/2005	2021	Construction and equipping 40,000 sq.ft. facility
5401-13-02A	Palmyra Properties, LLC	N		Retail Trade	893000	850000	0			N	08/07/2013	Y	08/07/2013	2025	Construction, reconstruction 3,000 sq.ft. facility
5401-06-04A	Parkwood Heights - Cottages	N		Services	3098957	2836457	0			N	05/10/2006	Y	06/01/2006	2017	Construction and equipping 10 buildings for senior living apartments
5401-10-01A	Pomona Packing, LLC	N		Agriculture, Fores	6689900	5315000	0			N	04/30/2010	Y	02/24/2011	2021	Acquisition, renovation and equipping of 64,500 sq.ft. facility
5401-14-03A	Ranger Design	N		Manufacturing	2444570	2414570	0			N	02/21/2014	Y	02/26/2014	2024	Purchase and equipping 78,570 sq. ft. facility
ED9227901A	Seneca Foods Corp	N		Manufacturing	8000000	5060000	5060000		Tax Exempt	N	10/26/1981	Y	06/01/1992	2017	Construction and equipping of three buildings totalling 131,600 sq.ft.
5401-14-04A	Upstate Refractory Service	Y	5401-07-04A	Manufacturing	1300000	1154000	0			N	04/25/2014	Y	05/30/2014	2019	Construction and equipping 21,000 sq. ft. addition to existing facility
5401-14-01A	Walthor Plaza LLC	N		Finance, Insurance	8735000	8600000	0			N	12/20/2013	Y	01/10/2014	2024	Construction and Equipping of 49,174 sq. ft. Retail Shopping Center.
5401-13-01A	Wayne County Dialysis Properties,	N		Services	2232600	2017700	0			N	01/11/2013	Y	03/08/2013	2025	Construction and equipping 7,500 sq.ft. facility.
5401-08-05A/B	Weslor Enterprises	N		Manufacturing	1500000	1500000	0			N	10/24/2008	Y	11/01/2008	2019	Construction, and equipping of 28,800 sq.ft. manufacturing facility

Wayne County Industrial Development Agency
 Project Information
 December 31, 2016

* Project Code	* Project Name	* State Sales Tax Exemption	* Local Sales Tax Exemption (Sum of City/Town/Village)	County Real Property Tax Exemption	Local Property Tax Exemption	School Property Tax Exemption	Mortgage Recording Tax Exemption	Total Exemptions Net of RP/L Section 485-b Exemptions	County PILOT	Local PILOT	School District PILOT	County PILOT	Local PILOT	School District PILOT	* # of FTEs before IDA status * Original estimate of jobs to be created	* Average estimated annual salary of jobs to be created (at current market rate).	* Annualized salary range of jobs to be created. FROM	* Annualized salary range of jobs to be created. TO	* Original estimate of jobs to be retained	* Estimated average annual salary of jobs to be retained (at current market rate).	* Current # of FTEs	* # of FTE construction jobs during the fiscal year	
5401-15-02A	1000 Silverhill, LLC	0	0	5007.43	10154.83	13666.09	0.00	28828.35	1640.17	3326.18	725.16	0.00	0.00	0	0	0	0	0	0	0	5	0	
5401-14-07A	Advanced Atomization Technologies	11334.64	11334.64	24950.02	56650.11	69303.61	0	173573.02	8685.57	19720.97	24125.89	0.00	0.00	0.00	317	29	54000	33000	75000	0	335	0	
5401-12-02A	AEY Development, LLC	0	0	3817.04	1730.01	12272.90	0	9091.89	940.80	426.40	3024.95	0.00	0.00	0.00	20	10	30000	20000	50000	0	16	0	
5401-16-04A	Altra Rental and Supply, Inc.	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	9	6	30000.00	30000.00	47500.00	9	47500.00	9	
5401-08-01A	CIDC	0	0	3070.80	6972.38	8529.75	0	18572.93	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	0	0	0	0
5401-04-02A	CL Enterprises LLC	0	0	4675.09	2118.91	15031.78	0	4092.10	3798.56	1721.64	15031.78	0.00	0.00	0.00	11	5	30000	24000	36000	0	11	0	
5401-14-05A	DNT Express	0.00	0.00	9484.65	21535.31	26345.49	0	43454.46	2300.01	5222.27	6388.71	0.00	0.00	0.00	21	6	40700	35000	45000	0	26	0	
5401-10-04A	Empire Fruit Growers Cooperative, Inc.	0	0	27615.70	13857.95	52642.67	0	16103.39	13924.23	6987.37	26543.18	0.00	0.00	0.00	25	15	15933	14440	104000	0	43	0	
5401-05-03A	Garlock Sealing Technologies	0	0	37127.94	17818.2	140537.70	0	195483.84	37127.94	17818.2	105433.73	0.00	0.00	0.00	548	0	0	0	0	548	50730	508	0
5401-00-02A	Halstead Machine, Inc.	0	0	4827.01	9789.16	13173.70	0	0.00	4211.95	8541.62	11495.10	0.00	0.00	0.00	50	5	40000	32000	48000	0	45	0	
5401-08-04A/B	JAMKO Industrial Development, LLC	0	0	7056.09	5607.18	19383.36	0	4443.52	3666.82	2913.86	10072.89	0.00	0.00	0.00	24	8	31200	25000	37500	0	12	0	
5401-11-03A	K.M. Davis - 2	0	0	89645.92	36916.58	288967.57	0	412798.24	47038.44	19370.64	151625.23	0.00	0.00	0.00	25	0	0	0	25	0	27	0	
5401-10-05A	Kairos, LLC/Ankom 2	0	0	11002.80	4986.84	35377.25	0	36876.51	9299.56	4214.88	29900.81	0.00	0.00	0.00	17	3	66667	62500	75000	0	38	0	
5401-06-01A	Koch Acquisitions/Ariel Optics	0	0	3512.70	1400.82	8695.15	0	0.00	2043.34	228.89	5057.96	0.00	0.00	0.00	3	5	16625	12000	20000	0	4	0	
5401-16-02A	L & P Properties of Sodus, NY	8636.5	8636.50	0.00	0.00	0.00	9900.00	27173.00	0.00	0.00	0.00	0.00	0.00	0.00	35	10	39600.00	0.00	0.00	35	60000.00	0	25
5401-09-01A	Legendary Auto	0	0	8230.36	16690.76	22461.99	0	11845.77	5123.06	10389.32	13981.67	0.00	0.00	0.00	60	10	39500	31500	47500	0	51	0	
5401-11-02A	Lyons Logistics, LLC	0	0	20697.09	16447.10	56855.71	0	93999.90	8232.11	6541.71	22613.93	0.00	0.00	0.00	70	41500	35000	250000	0	43	0		
5401-16-01A	McAlpin Industries, Inc.	81903.50	81903.50	0.00	0.00	0.00	55000.00	218800.00	0.00	0.00	0.00	0.00	0.00	0.00	23	40000.00	37500.00	40000.00	0	9	0		
5401-08-03A	Marshall Farms - Pet Products	0	0	6498.37	4290.34	12387.55	0	4635.25	5561.01	3671.48	11067.74	0.00	0.00	0.00	19	2	55556	42500	70000	0	28	0	
5401-08-06A	Marshall Farms Group	0	0	3207.37	1609.50	6114.07	0	4641.72	1647.17	826.57	3143.74	0.00	0.00	0.00	206	6	33333	25000	40000	0	209	0	
5401-10-03A	Marshall Ingredients	0	0	4510.04	2977.61	8597.30	0	5199.87	437.91	289.11	5563.58	0.00	0.00	0.00	26	14	32143	30000	37500	0	0	0	
5401-11-01A	MaxPro	0	0	25418.71	10136.67	62920.09	0	62897.23	13373.52	4904.84	33104.09	0.00	0.00	0.00	141	39	51000	32000	65000	0	278	0	
5401-10-02A	Midland Asphalt Materials, Inc.	0	0	32333.36	25693.97	88821.03	0	146848.36	31478.01	25014.25	86471.34	0.00	0.00	0.00	13	7	49886	45000	51000	0	23	0	
5401-15-01A	Murphy 2	0.00	0.00	9158.96	4151.15	29448.75	0	42758.86	4426.83	2006.39	14233.56	0.00	0.00	0.00	0	0	0	0	0	0	0	0	0
5401-12-03A	Murphy/Dau	0	0	13323.88	6038.83	42840.18	0	50304.75	9762.06	4424.50	31387.90	0.00	0.00	0.00	15	20	50000	35000	65000	0	46	0	
5401-16-03A	Newchem, Inc.	0	0	0.00	0.00	0.00	27000.00	27000.00	0.00	0.00	0.00	0.00	0.00	0.00	21	6	27500.00	27500.00	28000.00	21	40700.00	22	0
5401-12-04A	NMM Properties, LLC	8934.52	8934.52	12485.11	5658.67	40143.30	0	76156.12	12485.11	5658.67	40143.30	0.00	0.00	0.00	54	55	18000	12500	21500	0	51	0	
5401-06-05A	N. Development - Biodiesel	0	0	3400.37	1356.03	8417.08	0	13173.48	3400.37	1356.03	8417.08	0.00	0.00	0.00	0	8	25000	20000	30000	0	0	0	
5401-99-02A	N. Development - Harbec	0	0	10265.47	4078.50	27818.95	0	42162.92	8598.08	3293.32	21283.23	0.00	0.00	0.00	105	20	20500	16500	24500	0	127	0	
5401-12-01A	Northern Development - Wind	0	0	865.06	344.97	2141.31	0	3351.34	279.40	111.42	691.61	0.00	0.00	0.00	0	0	0	0	0	0	0	0	0
5401-10-01A	Optipro Systems, LLC	0	0	5147.67	2052.84	12742.33	0	19942.84	5147.70	2052.84	12742.33	0.00	0.00	0.00	61	6	83333	50000	90000	0	77	0	
5401-04-03A	Palmyra Inn Investment, LLC	0	0	14734.72	8551.93	49172.58	0	72459.23	11184.30	6491.32	37324.38	0.00	0.00	0.00	11	15208	12500	18250	0	14	0		
5401-13-02A	Palmyra Properties, LLC	0	0	1391.86	2682.83	4520.49	0	6108.91	143.16	275.95	464.97	0.00	0.00	0.00	15	0	0	0	15	18000	14	0	
5401-06-04A	Parkwood Heights - Cottages	0	0	18398.26	8338.72	59155.83	0	85892.81	10745.71	4870.32	34550.61	0.00	0.00	0.00	0	22	17704	0	0	0	50	0	
5401-10-01A	Pomona Packing, LLC	0	0	6776.35	11581.48	12814.73	0	29700.52	6537.75	11173.68	12363.51	0.00	0.00	0.00	32	15560	13750	26170	0	34	0		
5401-14-03A	Ranger Design	5906.29	5906.29	14759.25	5885.81	36534.25	0	68991.89	14759.25	5885.81	36534.24	0.00	0.00	0.00	34	36100	35000	40000	0	51	0		
ED9227901A	Seneca Foods Corp	0	0	30876.81	19833.20	94379.42	0	145089.43	30876.81	19833.20	94379.42	0.00	0.00	0.00	125	6	20000	16000	24000	0	55	0	
5401-14-04A	Upstate Refractory Service	0	0	15417.58	13266.77	42077.06	0	50990.60	4254.60	8628.30	11611.48	0.00	0.00	0.00	32	3	44500	37500	51750	0	34	0	
5401-14-01A	Walworth Plaza LLC	0	0	51639.99	25700.86	131919.16	0	147216.22	715.83	356.26	1828.65	0.00	0.00	0.00	0	81	23500	22000	25000	0	58	0	
5401-13-01A	Wayne County Dialysis Properties, LLC	0	0	0	0	22829.04	0	10519.26	164.02	332.63	447.63	0.00	0.00	0.00	0	16	45000	40000	60000	0	18	0	
5401-08-05A/B	Weslor Enterprises	0	0	10466.54	8317.32	28751.99	0	10504.18	5370.47	4267.69	14752.89	0.00	0.00	0.00	19	2	40000	32000	48000	0	23	0	



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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Wayne County Industrial Development Agency as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise Wayne County Industrial Development Agency's basic financial statements, and have issued our report thereon dated March 24, 2017.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Wayne County Industrial Development Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Wayne County Industrial Development Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of Wayne County Industrial Development Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Wayne County Industrial Development Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

EFPR Group, CPAs, PLLC

EFPR Group, CPAs, PLLC
Rochester, New York
March 24, 2017