

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

FINANCIAL STATEMENTS

DECEMBER 31, 2017

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

TABLE OF CONTENTS

<u>AUDITED FINANCIAL STATEMENTS</u>	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	1 - 2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3 - 7
STATEMENT OF NET POSITION	8
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION	9
STATEMENT OF CASH FLOWS	10
NOTES TO FINANCIAL STATEMENTS	11 - 21
<u>REQUIRED SUPPLEMENTARY INFORMATION</u>	
SCHEDULE OF AGENCY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY	22
SCHEDULE OF EMPLOYER'S CONTRIBUTION	23
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	24
<u>SUPPLEMENTARY INFORMATION</u>	
SUPPLEMENTAL SCHEDULES OF REVOLVING LOAN FUNDS	25 - 26
PROJECT INFORMATION	27 - 28
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 <i>GOVERNMENT AUDITING STANDARDS</i>	29 - 30

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, 2017, 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, 2017, 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 27, 2018, 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 27, 2018

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Management's Discussion and Analysis
For the Year Ended December 31, 2017

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, 2017. 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, 2017 by \$4,713,313. Of this amount, \$722,527 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 \$833,911 in unrestricted cash after a \$20,362 decrease in that balance due to cash used for operations.
- A decrease in loan demand together offset by regularly scheduled repayments resulted in a decrease of \$370,495 or 17.9% 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, 2017. 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, 2017 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 2017 and how it affects the cash balance at December 31, 2017.
- **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 \$4,713,313 and \$4,673,791 at December 31, 2017 and 2016, respectively.

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Management's Discussion and Analysis
For the Year Ended December 31, 2017

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>2017</u>	<u>2016</u>	<u>Dollar Change</u>	<u>% Change</u>	<u>2015</u>	<u>Dollar Change</u>	<u>% Change</u>
Assets							
Cash and cash equivalents	\$ 833.9	\$ 854.3	\$ (20.4)	(2.4)	\$ 678.9	\$ 175.4	25.8
Restricted cash	1,878.9	1,479.4	399.5	27.0	1,880.8	(401.4)	(21.3)
Loans receivable - net	1,696.4	2,066.9	(370.5)	(17.9)	1,668.8	398.1	23.9
Property and equipment - net	408.5	409.7	(1.2)	(0.3)	411.3	(1.6)	(0.4)
Due from other funds	-	-	-	-	6.5	(6.5)	(100.0)
Other assets	13.4	18.8	(5.4)	(28.7)	21.8	(3.0)	(13.8)
Total assets	<u>4,831.1</u>	<u>4,829.1</u>	<u>2.0</u>	<u>0.0</u>	<u>4,668.1</u>	<u>161.0</u>	<u>3.4</u>
Deferred Outflows	<u>58.3</u>	<u>74.9</u>	<u>(16.6)</u>	<u>(22.2)</u>	<u>41.9</u>	<u>33.0</u>	<u>78.8</u>
Total Assets and Deferred Outflows	<u>4,889.4</u>	<u>4,904.0</u>	<u>(14.6)</u>	<u>(0.3)</u>	<u>4,710.0</u>	<u>194.0</u>	<u>4.1</u>
Liabilities							
Due to other governments	-	32.4	(32.4)	(100.0)	61.3	(28.9)	(47.1)
Due to other funds	-	-	-	-	6.5	(6.5)	(100.0)
Accounts and grants payable	78.2	62.9	15.3	24.3	7.6	55.3	727.6
Contract advances	75.0	95.0	(20.0)	(21.1)	75.0	20.0	26.7
Net pension liability	18.2	34.1	(15.9)	(46.6)	9.9	24.2	244.4
Total liabilities	<u>171.4</u>	<u>224.4</u>	<u>(53.0)</u>	<u>(23.6)</u>	<u>160.3</u>	<u>64.1</u>	<u>40.0</u>
Deferred Inflows	<u>4.7</u>	<u>5.8</u>	<u>(1.1)</u>	<u>(19.0)</u>	<u>-</u>	<u>5.8</u>	<u>100.0</u>
Total Liabilities and Deferred Inflows	<u>176.1</u>	<u>230.2</u>	<u>(54.1)</u>	<u>(23.5)</u>	<u>160.3</u>	<u>69.9</u>	<u>43.6</u>
Net investment in capital assets	408.5	409.7	(1.2)	(0.3)	411.3	(1.6)	(0.4)
Net position - restricted	3,582.2	3,559.2	23.0	0.6	3,554.0	5.2	0.1
Net position - unrestricted	722.5	704.9	17.6	2.5	584.4	120.5	20.6
Total net position	<u>\$4,713.2</u>	<u>\$4,673.8</u>	<u>\$ 39.4</u>	<u>0.8</u>	<u>\$4,549.7</u>	<u>\$ 124.1</u>	<u>2.7</u>

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Management's Discussion and Analysis
For the Year Ended December 31, 2017

Significant changes in the statement of net position from 2016 to 2017 include:

- Cash decreased due to a reduction in income.
- Restricted cash increased and loans receivable decreased as principal repayments received exceeded new loan advances.
- 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, 2017, 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>2017</u>	<u>2016</u>	<u>Dollar Change</u>	<u>% Change</u>	<u>2015</u>	<u>Dollar Change</u>	<u>% Change</u>
Revenues							
Contractual services and grants	\$ 468.0	\$ 585.4	\$ (117.4)	(20.1)	\$ 481.3	\$ 104.1	21.6
Agency fees	5.5	108.5	(103.0)	(94.9)	10.5	98.0	933.3
Interest - banks	1.1	1.4	(0.3)	(21.4)	2.0	(0.6)	(30.0)
Interest - loans	79.3	76.9	2.4	3.1	71.5	5.4	7.6
Loan recovery	-	18.6	(18.6)	(100.0)	-	18.6	100.0
Other income	47.9	9.2	38.7	420.7	22.5	(13.3)	(59.1)
Total revenues	<u>601.8</u>	<u>800.0</u>	<u>(198.2)</u>	<u>(24.8)</u>	<u>587.8</u>	<u>212.2</u>	<u>36.1</u>
Expenses							
Personnel	109.5	171.7	(62.2)	(36.2)	182.0	(10.3)	(5.7)
Program expense	-	98.9	(98.9)	(100.0)	99.9	(1.0)	(1.0)
Contractual services	324.0	276.4	47.6	17.2	241.9	34.5	14.3
Administrative and technical assistance	93.7	100.2	(6.5)	(6.5)	7.5	92.7	1,236.0
Loss on disposal	6.0	-	6.0	100.0	-	-	-
Other expense	29.1	28.7	0.4	1.4	28.4	0.3	1.1
Total expenses	<u>562.3</u>	<u>675.9</u>	<u>(113.6)</u>	<u>(16.8)</u>	<u>559.7</u>	<u>116.2</u>	<u>20.8</u>
Change in Net Position	<u>39.5</u>	<u>124.1</u>	<u>(84.6)</u>	<u>(68.2)</u>	<u>28.1</u>	<u>96.0</u>	<u>341.6</u>
Net Position – Beginning	<u>4,673.8</u>	<u>4,549.7</u>	<u>124.1</u>	<u>2.7</u>	<u>4,521.6</u>	<u>28.1</u>	<u>0.6</u>
Net Position - Ending	<u>\$ 4,713.3</u>	<u>\$4,673.8</u>	<u>\$ 39.5</u>	<u>0.8</u>	<u>\$4,549.7</u>	<u>\$ 124.1</u>	<u>2.7</u>

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Management's Discussion and Analysis
For the Year Ended December 31, 2017

Significant changes in the statement of revenues and expenses from 2016 to 2017 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 \$102,873 and \$173,400 to the Agency for contractual services in 2017 and 2016, respectively. The County has also appropriated funding to the Agency for business retention and attraction projects in the amount of \$155,000 for 2017 and \$299,550 for 2016, a decrease of \$144,550 or 48.3%. In 2014 the contract with the County for services was amended to include an appropriation for planning services provided by County employees. \$210,195 and \$112,419 was advanced for this purpose in 2017 and 2016, respectively.
- Overall, revenues decreased primarily due to the decrease in the agency fees charged for projects.
- Program expenses decreased reflecting a general decrease 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>2017</u>	<u>2016</u>	<u>2015</u>
Cash Flows from Operating Activities			
Receipts from providing services	\$ 468.1	\$ 585.3	\$ 473.0
Payments to suppliers	(336.8)	(386.5)	(384.0)
Payments to employees	(109.5)	(171.8)	(182.0)
Other operating revenue (expense)	(36.1)	147.7	42.4
Net cash flows from operating activities	<u>(14.3)</u>	<u>174.7</u>	<u>(50.6)</u>
Cash Flows from Capital and Related Financing Activities			
Purchases of property and equipment	<u>(6.6)</u>	<u>-</u>	<u>(6.0)</u>
Cash Flows from Investing Activities			
Investment income	.6	.7	1.1
Certificates of deposit	(0.2)	(0.2)	(0.6)
Net cash flows from investing activities	<u>.4</u>	<u>.5</u>	<u>.5</u>
Net Change in Cash and Cash Equivalents	(20.5)	175.2	(56.1)
Cash and Cash Equivalents - Beginning	<u>776.5</u>	<u>601.3</u>	<u>657.4</u>
Cash and Cash Equivalents - Ending	<u>\$ 756.0</u>	<u>\$ 776.5</u>	<u>\$ 601.3</u>

Significant changes in the statement of cash flows include:

- Receipts from providing services decreased as a result of a decrease in grant income.
- Other operating revenue decreased due to the decrease in agency fees collected.
- Disposal of property and equipment is for website redesign.

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Management's Discussion and Analysis
For the Year Ended December 31, 2017

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 enters into conduit financing agreements. 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, 2017

	<u>Operating Fund</u>	<u>Non- Operating Revolving Loan Funds</u>	<u>Total All Funds</u>
ASSETS			
Current Assets			
Cash and cash equivalents	\$ 755,992	\$ -	\$ 755,992
Certificate of deposits	77,919	-	77,919
Restricted cash	-	1,849,871	1,849,871
Restricted certificate of deposit	28,919	-	28,919
Prepaid expenses	5,667	-	5,667
Due from other governments	-	1,000	1,000
Loans receivable - net of allowance for loan losses	-	1,696,416	1,696,416
Interest receivable	-	<u>6,736</u>	<u>6,736</u>
Total current assets	<u>868,497</u>	<u>3,554,023</u>	<u>4,422,520</u>
Property and Equipment - Net	<u>408,519</u>	<u>-</u>	<u>408,519</u>
Total Assets	1,277,016	3,554,023	4,831,039
DEFERRED OUTFLOWS			
Pension	<u>58,349</u>	<u>-</u>	<u>58,349</u>
Total Assets and Deferred Outflows	<u>\$ 1,335,365</u>	<u>\$ 3,554,023</u>	<u>\$ 4,889,388</u>
LIABILITIES, DEFERRED OUTFLOWS AND NET POSITION			
Current Liabilities			
Contract advances	\$ 75,000	\$ -	\$ 75,000
Accounts payable	<u>77,530</u>	<u>675</u>	<u>78,205</u>
Total current liabilities	<u>152,530</u>	<u>675</u>	<u>153,205</u>
Long Term Liabilities			
Net pension liability	<u>18,180</u>	<u>-</u>	<u>18,180</u>
Total liabilities	170,710	675	171,385
DEFERRED INFLOWS			
Pension	<u>4,690</u>	<u>-</u>	<u>4,690</u>
Total Liabilities and Deferred Inflows	<u>175,400</u>	<u>675</u>	<u>176,075</u>
Net Position			
Net investment in capital assets	408,519	-	408,519
Restricted for revolving funds	-	3,553,348	3,553,348
Restricted for certificates of deposit	28,919	-	28,919
Unrestricted	<u>722,527</u>	<u>-</u>	<u>722,527</u>
Total net position	<u>1,159,965</u>	<u>3,553,348</u>	<u>4,713,313</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 1,335,365</u>	<u>\$ 3,554,023</u>	<u>\$ 4,889,388</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, 2017

	<u>Operating Fund</u>	<u>Non- Operating Revolving Loan Funds</u>	<u>Total All Funds</u>
Revenues			
Contractual services and grants	\$ 468,068	\$ -	\$ 468,068
Agency and administrative fees	5,500	-	5,500
Interest - loans	-	79,280	79,280
Interest - banks	594	466	1,060
Other revenue	<u>11,517</u>	<u>36,347</u>	<u>47,864</u>
Total revenues	<u>485,679</u>	<u>116,093</u>	<u>601,772</u>
Expenses			
Contractual services	323,956	-	323,956
Salaries	66,450	-	66,450
Employee benefits	43,044	-	43,044
Administrative and technical assistance	-	93,738	93,738
Depreciation	1,862	-	1,862
Occupancy	7,130	-	7,130
Loss on disposal of asset	6,000	-	6,000
Loan loss	-	70	70
Project expense	<u>20,000</u>	<u>-</u>	<u>20,000</u>
Total expenses	<u>468,442</u>	<u>93,808</u>	<u>562,250</u>
Interfund Transfers	<u>(750)</u>	<u>750</u>	<u>-</u>
Change in Net Position	16,487	23,035	39,522
Net Position - Beginning	<u>1,143,478</u>	<u>3,530,313</u>	<u>4,673,791</u>
Net Position - Ending	<u>\$ 1,159,965</u>	<u>\$ 3,553,348</u>	<u>\$ 4,713,313</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, 2017

	Operating Fund	Non- Operating Revolving Loan Funds	Total All Funds
Cash Flows from Operating Activities			
Receipts from providing services	\$ 468,068	\$ -	\$ 468,068
Payments to suppliers for goods and services	(336,740)	(93,063)	(429,803)
Payments to employees	(109,494)	-	(109,494)
Other operating revenue (expense)	(36,105)	37,097	992
Net cash flows from operating activities	<u>(14,271)</u>	<u>(55,966)</u>	<u>(70,237)</u>
Cash Flow From Capital and Related Financing Activities			
Purchases of property and equipment	<u>(6,685)</u>	<u>-</u>	<u>(6,685)</u>
Cash Flows from Investing Activities			
Certificates of deposit	(155)	-	(155)
Investment income	594	466	1,060
Loan interest received	-	84,441	84,441
Development loans repaid	-	370,495	370,495
Loan loss	-	(70)	(70)
Net cash flows from investing activities	<u>439</u>	<u>455,332</u>	<u>455,771</u>
Net Change in Cash and Cash Equivalents	(20,517)	399,366	378,849
Cash and Cash Equivalents - Beginning	<u>776,509</u>	<u>1,450,505</u>	<u>2,227,014</u>
Cash and Cash Equivalents - Ending	\$ <u>755,992</u>	\$ <u>1,849,871</u>	\$ <u>2,605,863</u>
Reconciliation of Change in Net Position to Net Cash Flows from Operating Activities			
Change in net position	\$ 16,487	\$ 23,035	\$ 39,522
Adjustments			
Depreciation	1,862	-	1,862
Loss on disposal of asset	6,000	-	6,000
Investment income	(594)	(466)	(1,060)
Loan interest income	-	(79,280)	(79,280)
Loan loss	-	70	70
Change in assets and liabilities			
Prepaid expenses	177	-	177
Accounts payable	14,669	675	15,344
Due to other government	(32,372)	-	(32,372)
Contract advances	(20,000)	-	(20,000)
Net pension liability	<u>(500)</u>	<u>-</u>	<u>(500)</u>
Net Cash Flows from Operating Activities	\$ <u>(14,271)</u>	\$ <u>(55,966)</u>	\$ <u>(70,237)</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, 2017, the Agency had \$3,582,267 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. 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. 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.

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

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.

GASB Statement No. 85 - "Omnibus 2017." This Statement, issued in March 2017, addresses issues that have been identified during implementation and application of certain GASB Statements. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017, which is the fiscal year beginning January 1, 2018 for the Corporation. Management is in the process of evaluating the potential impact due to the implementation of this Statement on the financial statements of the Corporation.

GASB Statement No. 86 - "Certain Debt Extinguishment Issues." This Statement, issued in May 2017, addresses issues related to in substance defeasances occurring through repayment of debt from existing resources. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017, which is the fiscal year beginning January 1, 2018 for Corporation. Management is in the process of evaluating the potential impact due to the implementation of this Statement on the financial statements of Corporation.

GASB Statement No. 87 - "Leases." This Statement, issued in June 2017, requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2019, which is the fiscal year beginning January 1, 2020 for the Corporation. Management is in process of evaluating the potential impact due to the implementation of this Statement on the financial statements of the Corporation.

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.

As of December 31, 2017, 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.

\$ 77,919

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

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, 2017.

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, 2017 excluding certificates of deposit are as follows:

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Demand and savings deposits	\$ <u>2,605,863</u>	\$ <u>2,607,870</u>
Covered by FDIC insurance		\$ 693,573
Pledged collateral		<u>1,914,297</u>
Total deposits		\$ <u>2,607,870</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 \$102,873 to the Agency for contractual services at December 31, 2017. The County has also appropriated funding to the Agency for business retention and attraction projects in the amount of \$155,000 for 2017. In addition, the County has appropriated funding for planning services provided by County employees in the amount of \$210,195 at December 31, 2017.

At December 31, 2017, no outstanding amounts were owed by the County.

At December 31, 2017, no outstanding amount is due back to the County for unused funds

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.

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.

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

- 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, 2017 were \$1,762,348. The loans have an associated allowance for loan losses of \$65,932 resulting in net loans receivable of \$1,696,416.

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

At December 31, 2017, total interest receivable due on revolving loans amounted to \$6,736. In addition, at December 31, 2017, total loans included in the revolving loan funds on a non-accrual status amounted to approximately \$19,576. Interest on these loans is recorded when paid to WCIDA. At December 31, 2017 interest not received or recorded amounted to \$6,736.

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, 2017:

	WCIDA Revolving Loan Fund	Small Cities Loan Fund - Micro	Small Cities Loan Fund - Main St.	Agri Business Loan Fund	Other Loan Fund
Balance at beginning of year	\$ 2,034,431	\$ 43,678	\$ 12,253	\$ 51,073	\$ 4,633
Add, loans issued	170,000	-	-	-	-
Less, amounts paid	(522,784)	(10,057)	(3,660)	(16,019)	(1,200)
Less, amounts written off	-	-	-	-	-
Balance at end of year	<u>\$ 1,681,647</u>	<u>\$ 33,621</u>	<u>\$ 8,593</u>	<u>\$ 35,054</u>	<u>\$ 3,433</u>

Note 6. Property and Equipment

Property and equipment consists of the following at December 31, 2017:

Land	\$ 400,238
Equipment	<u>26,227</u>
Sub-total	426,465
Less - accumulated depreciation	<u>(17,946)</u>
Property and equipment - net	<u>\$ 408,519</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 \$1,522,154 in payments were administered by WCIDA for the year ended December 31, 2017. 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:

2017	\$	19,980
2016	\$	25,458
2015	\$	17,033

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, 2017, 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, 2017:

Actuarial valuation date	4/1/2016
Net pension liability	\$ 18,180
Agency's portion of the Plan's total net pension liability	0.0001935 %

For the years ended December 31, 2017, the Agency's recognized pension expense for ERS of \$19,480. At December 31, 2017 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	\$ 456	\$ 2,761
Changes in assumptions	6,211	\$ -
Net difference between projected and actual investment earnings on pension plan investments	3,631	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	28,071	1,929
Employer contributions subsequent to the measurement date	<u>19,980</u>	<u>-</u>
Total	<u>\$ 58,349</u>	<u>\$ 4,690</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, 2018. 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:	
2018	\$ 12,506
2019	\$ 12,506
2020	\$ 7,702
2021	\$ 965

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	3/31/2017
Actuarial valuation date	4/1/2016
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	4.6 %
International equity	6.4
Private equity	7.8
Real estate	5.8
Absolute return strategies	4.0
Opportunistic portfolio	5.9
Real assets	5.5
Bonds and mortgages	1.3
Cash	(0.3)
Inflation-indexed bonds	1.5

* the long term expected real rate is net of the long term inflation assumption of 2.00%

Discount Rate

The discount rate used to calculate the total pension liability was 7.0% for the year ended December 31, 2017. 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, 2017, 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	\$ <u>58,069</u>	\$ <u>18,180</u>	\$ <u>(15,543)</u>

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	4/1/2016
Employers' total pension liability	\$ 177,400
Plan net position	<u>(168,004)</u>
Employers' net pension liability	\$ <u>9,396</u>

Ratio of plan net position to the employers' total pension liability 94.7 %

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, 2017:

	<u>Budget</u>	<u>Actual</u>	<u>Difference</u>
Program/contractual services/other	\$ 477,118	\$ 443,764	\$ 33,354
Salaries	66,500	66,450	50
Employee benefits	39,325	43,044	(3,719)
Depreciation	1,400	1,862	(462)
Occupancy	<u>7,850</u>	<u>7,130</u>	<u>720</u>
Total	<u>\$ 592,193</u>	<u>\$ 562,250</u>	<u>\$ 29,943</u>

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Required Supplementary Information
For The Year Ended December 31, 2017

	<u>2017</u>	<u>2016</u>	<u>2015</u>
The Agency's proportion of the net pension liability	0.0001935 %	0.0002128 %	0.0002935 %
The Agency's proportionate share of the net pension liability	\$ 18,180	\$ 34,158	\$ 9,915
The Agency's covered employee payroll	\$ 66,450	\$ 116,061	\$ 136,369
The Agency's proportionate share of the net pension liability as a percentage of covered employee payroll	27.36 %	29.43 %	7.27 %
Plan fiduciary net position as a percentage of the total pension liability	94.70 %	90.70 %	97.20 %

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Schedule of Employer's Contributions
For The Year Ended December 31, 2017

	<u>2017</u>	<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>
Contractually required contribution	\$ 19,980	\$ 25,458	\$ 17,033	\$ 36,704	\$ 51,604	\$ 49,831	\$ 39,619	\$ 28,289	\$ 16,670	\$ 19,066
Contribution in relation to the contractually required contribution	<u>19,980</u>	<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>
Contribution deficiency (excess)	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -	\$ _____ -
Contribution as a percentage of covered employee payroll	30.07 %	21.94 %	12.49 %	27.04 %	23.54 %	20.84 %	16.32 %	11.89 %	7.34 %	8.86 %

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Required Supplementary Information
For The Year Ended December 31, 2017

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.

Both schedules are required to illustrate information for ten years. Information is presented for years that are available.

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Supplemental Schedule of Revolving Loan Funds
Combining Statements of Net Position
December 31, 2017

	<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	\$ 819,905	\$ 179,818	\$ 59,437	\$ 222,808	\$ 252,485	\$ 315,418	\$ 1,849,871
Due from other governments	-	-	-	1,000	-	-	1,000
Loans receivable - net of allowance for loan losses	1,630,848	23,785	4,465	-	33,991	3,327	1,696,416
Interest receivable	<u>5,354</u>	<u>318</u>	<u>433</u>	<u>-</u>	<u>631</u>	<u>-</u>	<u>6,736</u>
Total Assets	<u>\$ 2,456,107</u>	<u>\$ 203,921</u>	<u>\$ 64,335</u>	<u>\$ 223,808</u>	<u>\$ 287,107</u>	<u>\$ 318,745</u>	<u>\$ 3,554,023</u>
LIABILITIES AND NET POSITION							
Liabilities							
Accounts payable	\$ 675	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 675
Due to other funds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>675</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>675</u>
Net Position							
Restricted revolving funds	<u>2,455,432</u>	<u>203,921</u>	<u>64,335</u>	<u>223,808</u>	<u>287,107</u>	<u>318,745</u>	<u>3,553,348</u>
Total net position	<u>2,455,432</u>	<u>203,921</u>	<u>64,335</u>	<u>223,808</u>	<u>287,107</u>	<u>318,745</u>	<u>3,553,348</u>
Total Liabilities and Net Position	<u>\$ 2,456,107</u>	<u>\$ 203,921</u>	<u>\$ 64,335</u>	<u>\$ 223,808</u>	<u>\$ 287,107</u>	<u>\$ 318,745</u>	<u>\$ 3,554,023</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, 2017

	<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	\$ 79,357	\$ (2,478)	\$ 676	\$ -	\$ 1,725	\$ -	\$ 79,280
Interest - banks	141	54	18	69	91	93	466
Miscellaneous income	10,291	1,313	100	-	470	24,173	36,347
Loan recovery	-	-	-	-	-	-	-
Total revenues	<u>89,789</u>	<u>(1,111)</u>	<u>794</u>	<u>69</u>	<u>2,286</u>	<u>24,266</u>	<u>116,093</u>
Expenses							
Administrative and technical assistance	1,426	-	-	-	92,312	-	93,738
Loan loss	<u>70</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>70</u>
Total expenses	<u>1,496</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>92,312</u>	<u>-</u>	<u>93,808</u>
Interfund Transfers	<u>750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>750</u>
Change in Net Position	89,043	(1,111)	794	69	(90,026)	24,266	23,035
Net Position - Beginning	<u>2,366,389</u>	<u>205,032</u>	<u>63,541</u>	<u>223,739</u>	<u>377,133</u>	<u>294,479</u>	<u>3,530,313</u>
Net Position - Ending	<u>\$ 2,455,432</u>	<u>\$ 203,921</u>	<u>\$ 64,335</u>	<u>\$ 223,808</u>	<u>\$ 287,107</u>	<u>\$ 318,745</u>	<u>\$ 3,553,348</u>

Wayne County Industrial Development Agency
Project Information
December 31, 2017

* Project Code	* Project Name	* Is this project part of or related to an existing multi-phase project?	* 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 in the property?	State 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 and Real Estate	3800000	2880000	0	0	N		09/25/2015	Y	11/12/2015	2022	Acquisition of 77,000 sq. ft. facility
5401-12-02A	AEY Development, LLC	N		Finance, Insurance and Real Estate	707000	667000	0	0	N		03/23/2012	Y	04/04/2012	2023	Construction and Equipping 10,000 sq. ft. facility
5401-14-07A	Advanced Automation Technologies	N		Manufacturing	3300000	6023800	0	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
5401-16-04A	Altra Rental and Supply, Inc.	N		Services	845000	815000	0	0	N		12/16/2016	Y	12/20/2016	2027	Acquisition of 6.04 acres, building improvements 4400 sq. ft. building, 11,500 sq ft addition for equipment wholesale and sales facility
5401-08-01A	CIDC	N		Other Categories	417500	417500	0	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	CI, Enterprise LLC	N		Manufacturing	220000	206000	0	0	N		09/01/2004	Y	02/27/2008	2017	Construction and equipping of 9,600 sq. ft. addition to existing facility
5401-14-05A	DNT Realty Express	N		Transportation, Communication, Electric, Gas and Sanitary Services	2437849	2247000	0	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, Forestry and Fishing	5722500	5580000	0	0	N		09/24/2010	Y	01/11/2011	2021	Construction and equipping 20,000 sq. ft. facility
5401-05-03A	Garlock Sealing Technologies	N		Manufacturing	3700000	3700000	0	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	Halsstead Machine	N		Manufacturing	850000	427000	0	0	N		07/31/2000	Y	11/28/2000	2014	Construction and equipping 12,800 sq. ft. facility and 7,500 sq. ft. addition
5401-08-04A/B	JAMKO	N		Manufacturing	1230000	1200000	0	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, Forestry and Fishing	4478417	3840769	0	0	N		06/03/2011	Y	08/01/2011	2022	Construction, Renovation and equipping 37,368 sq. ft. facility
5401-10-05A	Kalros, LLC/Ankom 2	N		Manufacturing	627500	600000	0	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/Anel Optics	N		Manufacturing	428400	340000	0	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 Socus, NY	N		Manufacturing	1900000	1735000	0	0	N		04/22/2016	Y	04/25/2016	2027	Construction and equipping a 3,500 sq ft addition to existing facility.
5401-09-05A	Legendary Auto	N		Manufacturing	1800000	1800000	0	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	1541500	1250000	0	0	N		06/03/2011	Y	10/10/2011	2022	Acquisition, renovation and equipping of 131,610 sq. ft. facility
5401-08-03A	Marshall Farms - Pet Products	N		Agriculture, Forestry and Fishing	695000	675000	0	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, Forestry and Fishing	2021000	2000000	0	0	N		11/21/2008	Y	08/01/2009	2020	Construction and equipping two 11,746 buildings at existing facility.
5401-10-03A	Marshall Ingredients	N		Agriculture, Forestry and Fishing	1850000	1880000	0	0	N		08/24/2010	Y	10/25/2010	2021	Construction and equipping of 27,000 sq. ft. facility
5401-11-01A/b	MaxPro 2	Y	5401-98-01A	Manufacturing	6212300	5558500	0	0	N		04/23/2011	Y	06/02/2011	2023	As per comptroller office this morning, we are creating a new project and closing the previous two MaxPro projects to clean up the tracking system. This is for the cost
5401-16-01A	McApin Industries Inc	N		Manufacturing	5090000	5000000	0	0	N		03/15/2016	Y	03/29/2016	2027	Construction and equipping of 120,000 sq ft facility
5401-10-02A	Midland Asphalt Materials, Inc.	N		Manufacturing	8967951	5908852	0	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 and Real Estate	801000	801000	0	0	N		01/16/2015	Y	02/25/2015	2025	Acquisition and improvement of 30,000 sq. ft. facility
5401-12-03A	Murphy/Dau	N		Manufacturing	850000	850000	0	0	N		08/24/2012	Y	09/26/2012	2023	Addition of 20,000 sq. ft. to 40,000 sq. ft. facility.
5401-06-05A	N. Development - Biodiesel	N		Manufacturing	915470	940000	0	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	0	N		05/10/1999	Y	11/01/1999	2020	Construction and equipping 17,000 sq. ft. addition to existing facility
5401-12-04A	NMM Properties, LLC	N		Retail Trade	1940000	1840000	0	0	N		09/28/2012	Y	11/08/2012	2023	Acquisition and improvement of 73,278 sq. ft. retail space.
5401-16-03A	Newchem Inc	N		Manufacturing	3767000	3522000	0	0	N		09/25/2014	Y	09/23/2016	2027	Acquisition of 6.87 acres of land and construction of 20,000 sq. ft. manufacturing facility.
5401-12-01A	Northern Development - Wind	N		Other Categories	0	0	1000	0	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	0	N		09/27/2013	Y	10/25/2013	2024	Construction and equipping 10,000 sq. ft. addition to existing facility
5401-04-03A	Palmira Inn Investment, LLC	N		Services	3400000	316300	0	0	N		10/19/2004	Y	02/23/2005	2021	Construction and equipping 40,000 sq. ft. facility
5401-13-02A	Palmira Properties, LLC	N		Retail Trade	893000	850000	0	0	N		08/07/2013	Y	08/07/2013	2025	Construction, reconstruction 3,000 sq. ft. facility
5401-08-04A	Parkwood Heights - Cottages	N		Services	3098957	2500000	0	0	N		05/10/2006	Y	08/01/2006	2017	Construction and equipping 10 buildings for senior living apartments
5401-10-01A	Pomona Packing, LLC	N		Agriculture, Forestry and Fishing	6889900	6316500	0	0	N		04/29/2010	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	0	N		02/21/2014	Y	02/26/2014	2024	Purchase and equipping 78,570 sq. ft. facility
ED9227901A	Seneca Foods Corp	N		Manufacturing	7000000	5050000	5050000	0	Tax Exempt		10/25/1981	Y	06/01/1992	2017	Construction and equipping of three buildings totaling 131,600 sq. ft.
5401-14-04A/b	Upstate Refractory Service	Y	5401-07-04A	Manufacturing	1300000	1154000	0	0	N		04/25/2014	Y	05/30/2014	2026	As per comptroller office this morning, we are eliminating the previous two URS projects and creating a new one here to track. The 2007 project should have been eliminated
5401-14-01A	Warwood Plaza LLC	N		Finance, Insurance and Real Estate	3750000	8600000	0	0	N		12/25/2013	Y	01/10/2014	2024	Construction and Equipping of 49,174 sq. ft. Retail Shopping Center.
5401-13-01A	Wayne County Dialysis Properties, LLC	N		Services	2232600	2017700	0	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	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, 2017

* Project Code	* Project Name	* State Sales Tax Exemption	* Local State Tax Exemption (Sum of Copy Form 8879)	County Real Property Tax Exemption	Local Property Tax Exemption	School Property Tax Exemption	Mortgage Recording Tax Exemption	Total Exemptions Net of PILOT, Section 4852 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	* Original estimate of jobs to be retained	* Current # of FTEs	* # of FTE construction jobs during the first year	Current year is the last year that project information needs to be reported	There is no debt outstanding for this project	IDA does not hold title to the property	The project receives no tax exemptions
5401-15-02A	1000 Silverhill, LLC	0.00	0.00	3600.22	7398.61	8884.52	0.00	32131.14	263.31	541.12	4600.56	263.31	541.12	4600.56	0	0	0	7	0	N	N	N	N
5401-12-02A	AEY Development, LLC	0.00	0.00	3744.77	1728.66	12481.05	0.00	7798.92	922.99	426.07	3071.33	922.99	426.07	3071.33	20	10	20	34	0	N	N	N	N
5401-14-07A	Advanced Automation Technologies	0.00	0.00	2502.97	56156.75	59321.28	0.00	89718.72	9778.74	21685.42	27114.68	9778.74	21685.42	27114.68	317	29	317	350	0	N	N	N	N
5401-16-04A	Altra Rental and Supply, Inc.	11620.08	11620.08	0.00	0.00	9348.26	0.00	29142.37	0.00	0.00	3082.72	0.00	0.00	3082.72	6	6	6	12	16	N	N	N	N
5401-08-01A	CIDC	0.00	0.00	2941.77	6607.26	8156.17	0.00	17705.21	0.00	0.00	0.00	0.00	0.00	0.00	0	0	0	0	0	N	N	N	N
5401-04-02A	CI, Enterprise LLC	0.00	0.00	4586.57	2117.28	15262.23	0.00	0.00	4586.57	1720.29	0.00	4586.57	1720.29	0.00	11	5	11	9	0	N	N	N	N
5401-14-05A	DNT Realty Express	0.00	0.00	9504.74	21347.77	26352.21	0.00	19227.98	2589.75	5816.62	7160.19	2589.75	5816.62	7160.19	21	6	21	39	0	N	N	N	N
5401-10-04A	Empire Fruit Growers Cooperative	0.00	0.00	13291.78	8446.26	26375.62	0.00	9949.45	6761.22	3482.53	13416.66	6761.22	3482.53	13416.66	15	25	46	0	0	N	N	N	N
5401-05-03A	Garlock Sealing Technologies	0.00	0.00	49489.62	18256.38	73516.66	0.00	141262.66	49489.62	18256.38	73516.66	49489.62	18256.38	73516.66	548	0	548	508	0	N	N	N	N
5401-00-02A	Haltstead Machine	0.00	0.00	4783.49	9630.37	13133.25	0.00	0.00	4783.49	8577.72	11814.24	4783.49	8577.72	11814.24	50	5	50	47	0	N	N	N	N
5401-08-04AB	JAMCO	0.00	0.00	6863.49	5224.91	19511.29	0.00	4199.60	3566.73	2715.21	10139.37	3566.73	2715.21	10139.37	24	8	24	12	0	N	N	N	N
5401-11-03A	K.M. Davis, 2	0.00	0.00	90650.81	37576.93	236667.30	0.00	412343.16	61869.77	29919.51	195470.45	61869.77	29919.51	195470.45	25	0	25	28	0	N	N	N	N
5401-10-05A	Karos, LLC/Ankom 2	0.00	0.00	10794.49	4982.94	35919.61	0.00	35030.17	9123.49	4211.58	30359.22	9123.49	4211.58	30359.22	17	3	17	37	0	N	N	N	N
5401-06-01A	Koch Acquisitions/Arlet Optics	0.00	0.00	3376.60	1328.68	8834.60	0.00	0.00	1964.17	217.10	0.00	1964.17	217.10	0.00	3	5	3	4	0	N	N	N	N
5401-16-02A	L&P Properties of Socus, NY	0.00	0.00	10776.75	5242.23	28189.93	0.00	33791.62	0.00	0.00	20836.64	0.00	0.00	20836.64	35	10	35	49	0	N	N	N	N
5401-09-05A	Legendary Auto	0.00	0.00	9156.16	16761.80	22393.02	0.00	7696.58	5076.89	10433.22	14369.84	5076.89	10433.22	14369.84	60	10	60	54	0	N	N	N	N
5401-11-02A	Lyons Logistics, LLC	0.00	0.00	20132.14	15325.83	37230.65	0.00	62699.91	14069.77	10710.78	39997.08	14069.77	10710.78	39997.08	70	0	70	22	0	N	N	N	N
5401-08-03A	Marshall Farms - Pet Products	0.00	0.00	6991.41	4159.91	13741.70	0.00	2498.30	5800.24	3456.10	11416.78	5800.24	3456.10	11416.78	19	2	19	32	0	N	N	N	N
5401-08-06A	Marshall Farms Group	0.00	0.00	3178.30	1637.06	6306.73	0.00	3840.44	1634.22	841.74	3776.37	1634.22	841.74	3776.37	206	6	206	207	0	N	N	N	N
5401-10-03A	Marshall Ingredients	0.00	0.00	5278.62	2725.46	9970.92	0.00	3975.25	2915.69	1737.33	5452.07	2915.69	1737.33	5452.07	26	14	26	8	0	N	N	N	N
5401-11-01Ab	MaxPro 2	0.00	0.00	24433.85	9914.63	63929.15	0.00	55872.57	12853.36	4852.24	48782.06	12853.36	4852.24	48782.06	141	39	141	301	0	N	N	N	N
5401-16-01A	McAlpin Industries Inc.	0.00	0.00	43350.97	22608.40	170587.36	0.00	108574.95	638.44	332.96	2512.29	638.44	332.96	2512.29	23	0	23	0	0	N	N	N	N
5401-10-02A	Midland Asphalt Materials, Inc.	0.00	0.00	31450.79	23942.29	89407.23	0.00	144800.31	30771.31	23425.02	87475.61	30771.31	23425.02	87475.61	13	7	13	50	0	N	N	N	N
5401-15-01A	Murphy 2	0.00	0.00	8985.55	4147.90	29900.22	0.00	18780.14	4343.02	2004.82	14451.77	4343.02	2004.82	14451.77	0	0	0	0	0	N	N	N	N
5401-12-03A	Murphy/Dau	0.00	0.00	13071.61	6034.11	43496.99	0.00	48734.87	9577.23	4421.04	31869.10	9577.23	4421.04	31869.10	15	20	15	43	0	N	N	N	N
5401-06-05A	N. Development - Biodiesel	0.00	0.00	3298.62	1298.19	3298.62	0.00	13106.86	3298.62	1298.19	8552.07	3298.62	1298.19	8552.07	6	0	6	0	0	N	N	N	N
5401-99-02A	N. Development - Harbec	0.00	0.00	10235.42	4027.60	26780.13	0.00	3075.23	8284.95	3252.23	27171.95	8284.95	3252.23	27171.95	105	20	105	132	0	N	N	N	N
5401-12-04A	NMM Properties, LLC	0.00	0.00	12248.73	5654.25	12248.73	0.00	115783.24	12248.73	5654.25	40758.72	12248.73	5654.25	40758.72	54	55	54	69	0	N	N	N	N
5401-16-03A	Newchem 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	21	6	21	22	7	N	N	N	N
5401-12-01A	Northern Development - Wind	0.00	0.00	831.64	327.21	2175.65	0.00	3334.40	275.34	109.34	720.40	275.34	109.34	720.40	0	0	0	0	0	N	N	N	N
5401-13-03A	Optipro Systems, LLC	0.00	0.00	4948.25	1947.12	12946.68	0.00	19842.05	4948.25	1947.12	12946.68	4948.25	1947.12	12946.68	61	6	61	77	0	N	N	N	N
5401-04-03A	Palmyra Inn Investment, LLC	0.00	0.00	14599.22	8553.89	50945.31	0.00	50106.25	10836.36	6349.18	37814.46	10836.36	6349.18	37814.46	11	0	11	11	0	N	N	N	N
5401-13-02A	Palmyra Properties, LLC	0.00	0.00	1379.31	1418.27	4693.46	0.00	3276.30	1418.27	4693.46	1418.27	4693.46	1418.27	4693.46	15	0	15	14	0	N	N	N	N
5401-06-04A	Parkwood Heights - Cottages	0.00	0.00	18049.92	8332.19	80062.72	0.00	10942.26	4986.51	6006.23	10942.26	4986.51	6006.23	10942.26	0	22	0	51	0	N	N	N	N
5401-10-01A	Pomona Packing, LLC	0.00	0.00	10139.69	17540.34	18952.13	0.00	32831.77	8191.13	14169.29	15317.84	8191.13	14169.29	15317.84	32	0	32	42	0	N	N	N	N
5401-14-03A	Ranger Design	0.00	0.00	14187.40	5582.69	37120.15	0.00	103448.41	14187.40	5582.69	37120.15	14187.40	5582.69	37120.15	0	34	0	50	0	N	N	N	N
E09227901A	Reneca Foods Corp	0.00	0.00	31872.47	20005.12	0.00	0.00	18642.74	31872.47	20005.12	0.00	31872.47	20005.12	0.00	128	6	128	51	0	N	N	N	N
5401-14-04Ab	Upstate Refractory Service	0.00	0.00	15278.58	31398.44	41947.86	0.00	8862.49	4346.63	9132.60	11933.83	4346.63	9132.60	11933.83	3	3	3	36	0	N	N	N	N
5401-14-01A	Walworth Plaza LLC	0.00	0.00	51174.83	26689.80	134631.92	0.00	74163.16	709.38	369.98	1897.94	709.38	369.98	1897.94	81	0	81	52	0	N	N	N	N
5401-13-01A	Wayne County Dialysis Properties, LLC	0.00	0.00	0.00	0.00	22758.94	0.00	0.00	167.57	344.37	460.06	167.57	344.37	460.06	16	0	16	0	0	N	N	N	N
5401-08-05AB	Weslor Enterprises	0.00	0.00	10180.84	7750.29	28941.75	0.00	7750.29	5223.88	4180.00	14850.26	5223.88	4180.00	14850.26	19	2	19	28	0	N	N	N	N

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, 2017, 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 27, 2018.

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 27, 2018