

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
FINANCIAL STATEMENTS
DECEMBER 31, 2009

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the Wayne County Industrial Development Agency as of and for the year ended December 31, 2009, which collectively comprise the Agency's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Wayne County Industrial Development Agency's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Wayne County Industrial Development Agency as of December 31, 2009, and the changes in its financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2010, on our consideration of the 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 grants. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

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

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary schedule of Revolving Loan Funds on pages 18 to 19 and the schedule of Project Information on pages 20 to 21 are presented for purpose of additional analysis and is not a required part of the financial statements of Wayne County Industrial Development Agency. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects, in relation to the financial statements taken as a whole.

EFP Rotenberg, LLP

EFP Rotenberg, LLP
Rochester, New York
March 29, 2010

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Management's Discussion and Analysis
For the Year Ended December 31, 2009

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, 2009. This narrative should be read in conjunction with the Agency's separately issued and audited financial statements.

Financial Highlights

- The assets of the Agency exceed its liabilities (Net Assets) at December 31, 2009 by \$4,566,275. Of this amount, \$1,069,654 is *unrestricted net assets*, meaning that these amounts are available for use in furthering the Agency's mission.
- The Agency's liquidity remains strong with \$677,566 in unrestricted cash.
- An increase in loan demand resulted in a net increase of \$67,799 or 3.5% in loans receivable.

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 auditor's report, financial statements, notes to financial statements, and other supplemental information that will enhance the reader's understanding of the financial condition of the Agency.

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

- **Statements of Net Assets** - Presents all assets, liabilities and net assets of the Agency at December 31, 2009. The statement provides information about the amounts and investments in resources (assets) and the obligations to creditors (liabilities).
- **Statements of Activities** - Presents the financial activity for the years ended December 31, 2009 and displays how this activity changed the Agency's net assets. The statement provides information on the Agency's operations and can be used to determine if the Agency has recovered all of its costs through grants, user fees and other charges.
- **Statements of Cash Flows** - Presents the cash provided and used in operations, investments and financing activities during the 2009 and how it affects the cash balance at December 31, 2009.
- **Notes to Financial Statements** - Provide information regarding the Agency and explain in more detail information included in the financial statements.

Financial Analysis

The Agency provides financial incentives and technical assistance to businesses moving to or expanding in Wayne County where job and capital creation will help improve the economic climate of the County. The Agency's net assets may serve over time as a useful indicator of its financial position. In the case of the Agency, assets exceeded liabilities by \$4,566,275 and \$4,478,748 at December 31, 2009 and 2008 respectively.

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Management's Discussion and Analysis
For the Year Ended December 31, 2009

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

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

	<u>2009</u>	<u>2008</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>2007</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
Assets							
Cash	677.7	661.1	16.6	2.5	1,044.4	(383.3)	(36.7)
Restricted cash	1,572.6	1,570.9	1.7	0.1	958.5	612.4	63.9
Loans receivable	1,882.1	1,819.3	62.8	3.5	2,235.7	(416.4)	(18.6)
Property and equipment - net	431.8	428.6	3.2	0.7	344.3	84.3	24.5
Other assets	52.7	28.4	24.3	85.6	124.4	(96.0)	(77.2)
Total Assets	4,616.9	4,508.3	108.6	2.4	4,707.3	(199.0)	(4.2)
Liabilities							
Line of credit	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accounts payable	50.6	29.6	21.0	70.9	25.9	3.7	14.3
Deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Liabilities	50.6	29.6	21.0	70.9	25.9	3.7	14.3
Net Assets - Unrestricted	1,069.7	1,051.5	18.2	1.7	1,380.9	(329.4)	(23.9)
Net Assets - Restricted	3,496.6	3,427.2	69.4	2.0	3,300.5	126.7	3.8
Total Net Assets	4,566.3	4,478.7	87.6	2.0	4,681.4	(202.7)	(4.3)

Significant changes in the statement of net assets from 2008 to 2009 include:

- Loans receivable increased as a result of increased loan demand during the year.
- Other assets increased as a result of the re-classification of \$27,595 representing amounts restricted for unemployment self-insurance.
- The Agency's line of credit was at a zero balance at the end of 2008 and 2009.
- Accounts payable increased due to \$40,975 billed by New York State as a cost recovery assessment.
- The Agency's largest asset is its loan portfolio. Management assesses the quality of the loan on an ongoing basis. As a result, provisions are made for impaired loans as needed. At December 31, 2009 and 2008, based on management's evaluation, the loan loss reserve was adequate to cover projected loan losses.

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Management's Discussion and Analysis
For the Year Ended December 31, 2009

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

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

	<u>2009</u>	<u>2008</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>2007</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
Revenues							
Contractual services and grants	570.9	550.0	20.9	3.8	539.0	11.0	2.0
Agency and administrative fees	58.1	74.7	(16.6)	(22.2)	68.3	6.4	9.4
Interest – banks	12.7	31.8	(19.1)	(60.1)	27.7	4.1	14.8
Interest - loans	79.1	108.8	(29.7)	(27.3)	172.7	(63.9)	(37.0)
Other income	75.6	101.5	(25.9)	(25.5)	77.9	23.6	30.3
Loss on sale of assets	0.0	0.0	0.0	0.0	(80.2)	80.2	(100.0)
Total Revenues	796.4	866.8	(70.4)	(8.1)	805.4	61.4	7.6
Expenses							
Personnel	300.4	294.6	5.8	2.0	277.0	17.6	6.4
Program expense	96.0	114.6	(18.6)	100.0	47.4	67.2	141.8
Contractual services	223.0	275.1	(52.1)	(18.9)	151.0	124.1	82.2
Administrative and technical assistance	2.1	2.0	0.1	5.0	42.4	(40.4)	(95.3)
Loan loss	9.5	23.3	(13.8)	(59.2)	10.1	13.2	130.7
Land donation	0.0	342.7	(342.7)	(100.0)	0.0	342.7	0.0
Other expense	77.8	17.2	60.6	352.3	16.6	0.6	3.6
Total Expenses	708.8	1,069.5	(360.7)	(33.7)	544.5	525.0	96.4
Change in Net Assets	87.6	(202.7)	290.3	(143.2)	260.9	(463.6)	(177.7)
Beginning Net Assets	4,478.7	4,681.4	(202.7)	(4.3)	4,420.5	260.9	5.9
Ending Net Assets	4,566.3	4,478.7	87.6	2.0	4,681.4	(202.7)	(4.3)

Significant changes in the statement of revenues and expenses from 2008 to 2009 include:

- The County of Wayne has engaged the Agency to foster and encourage the location and/or expansion of manufacturing and industrial companies in the County. For this activity the County appropriated \$257,400 to the Agency for contractual services in 2009 and 2008.
- The County has also appropriated funding to the Agency for business retention and attraction projects in the amount of \$292,600 for 2009 and 2008.
- Overall, revenues decreased slightly. 2009 reflects lower interest earned on bank accounts and loans resulting from lower prevailing interest rates. The reduction in other income reflects the receipt of proceeds of the sale of property previously held as collateral for a loan.

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Management's Discussion and Analysis
For the Year Ended December 31, 2009

- Program expenses in 2009 decreased after the start-up costs incurred in 2008 associated with the Agency's alternative energy initiative.
- Contractual expenses were down slightly reflecting fewer cash incentives to businesses for site readiness costs and relocation as well as a decrease in the cost of the Agency's on-going business retention and expansion program.
- Loan loss expense decreased based on management's continuing analysis of the quality of the loan portfolios in light of changing economic conditions.
- The Agency donated land (recorded at \$342,700) to a municipality in 2008.

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

Table 3
Condensed Statements of Cash Flows
(In Thousands of Dollars)

	<u>2009</u>	<u>2008</u>	<u>2007</u>
Cash Flows From Operating Activities			
Receipts from providing services	570.9	550.0	257.4
Payments to suppliers	(350.5)	(386.3)	(156.6)
Payments to employees	(300.4)	(294.6)	(277.0)
Payments received on notes	0.0	0.0	72.6
Other operating revenue	120.7	137.2	362.3
Net cash flows from operating activities	40.7	6.3	258.7
Cash Flows From Investing Activities:			
Investment income	7.8	14.6	15.9
Certificates of deposit	(5.2)	(145.6)	(7.2)
Proceeds from sale of assets	0.0	0.0	411.1
Property and equipment additions	(4.5)	(404.2)	(1.7)
Construction in process	0.0	0.0	0.0
Net cash flows from investing activities	(1.9)	(535.2)	418.1
Net Change in Cash and Cash Equivalents	38.8	(528.9)	676.8
Beginning Cash and Cash Equivalents	374.1	903.0	226.2
Ending Cash and Cash Equivalents	412.9	374.1	903.0

Significant changes in the statement of cash flows include:

- Investments or redemption of certificates of deposit from year to year.
- Use of funds in the purchase of land for the expansion of the Agency's Industrial Sustainability Park in 2008 and the receipt of the proceeds of the sale of that property to its developer in 2007.

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Management's Discussion and Analysis
For the Year Ended December 31, 2009

Capital Assets

Approximately thirty-eight acres of undeveloped land previously donated to the Agency for industrial development, valued at \$342,700, was donated to a municipality in 2008 for the construction of a municipal/emergency services facility on the site. In addition, the Agency purchased approximately forty-two acres of land for \$400,238 in order to expand the Agency's Industrial Sustainability Park.

Long-Term Debt

The Agency has no direct long-term debt but has entered into conduit financing agreements with three companies with a total of \$7,210,000 in bonds outstanding at the end of 2009. These transactions are not recorded on the Agency's financial statements but are disclosed in the notes to the financial statements.

Economic Factors

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

Contacting the Agency

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

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Statement of Net Assets
December 31, 2009

	<u>Operating Fund</u>	<u>Non- Operating Revolving Loan Funds</u>	<u>Total All Funds</u>
ASSETS			
Assets			
Cash and cash equivalents	\$ 412,920	\$ -	\$ 412,920
Certificate of deposits	264,646	-	264,646
Restricted cash	-	1,572,616	1,572,616
Restricted certificate of deposit	27,595	-	27,595
Prepaid expenses	6,946	-	6,946
Loans receivable - net of allowance for loan losses	-	1,882,126	1,882,126
Interest receivable	-	18,211	18,211
Property and equipment - net	<u>408,164</u>	<u>23,668</u>	<u>431,832</u>
Total Assets	\$ <u>1,120,271</u>	\$ <u>3,496,621</u>	\$ <u>4,616,892</u>
LIABILITIES AND NET ASSETS			
Liabilities			
Accounts payable	\$ 9,642	\$ -	\$ 9,642
Accrued state cost recovery assessment	<u>40,975</u>	<u>-</u>	<u>40,975</u>
Total liabilities	<u>50,617</u>	<u>-</u>	<u>50,617</u>
Net Assets			
Unrestricted	1,069,654	-	1,069,654
Restricted for revolving funds	<u>-</u>	<u>3,496,621</u>	<u>3,496,621</u>
Total net assets	<u>1,069,654</u>	<u>3,496,621</u>	<u>4,566,275</u>
Total Liabilities and Net Assets	\$ <u>1,120,271</u>	\$ <u>3,496,621</u>	\$ <u>4,616,892</u>

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

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Statement of Activities
For the Year Ended December 31, 2009

	<u>Operating Fund</u>	<u>Non- Operating Revolving Loan Funds</u>	<u>Total All Funds</u>
Revenues			
Contractual services and grants	\$ 570,950	\$ -	\$ 570,950
Agency and administrative fees	58,058	-	58,058
Interest - loans	-	79,109	79,109
Interest - banks	7,766	4,903	12,669
Other revenue	66,571	-	66,571
In-kind income	9,000	-	9,000
Total revenues	<u>712,345</u>	<u>84,012</u>	<u>796,357</u>
Expenses			
Program expense	96,046	-	96,046
Contractual services	222,977	-	222,977
Salaries	227,151	-	227,151
Employee benefits	73,244	-	73,244
Administrative and technical assistance	-	2,107	2,107
Depreciation	1,255	-	1,255
Occupancy	9,000	-	9,000
State cost recovery assessment	40,975	-	40,975
Contributions	15,000	-	15,000
Loan loss	-	9,532	9,532
Real estate taxes	8,519	3,024	11,543
Total expenses	<u>694,167</u>	<u>14,663</u>	<u>708,830</u>
Change in Net Assets	18,178	69,349	87,527
Net Assets - Beginning	<u>1,051,476</u>	<u>3,427,272</u>	<u>4,478,748</u>
Net Assets - Ending	<u>\$ 1,069,654</u>	<u>\$ 3,496,621</u>	<u>\$ 4,566,275</u>

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

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Statement of Cash Flows
Operating Fund
For the Year Ended December 31, 2009

Cash Flows from Operating Activities	
Receipts from providing services	\$ 570,950
Payments to suppliers for goods and services	(350,529)
Payments to employees	(300,394)
Other operating revenue	<u>120,726</u>
Net cash flow from operating activities	<u>40,753</u>
 Cash Flows from Investing Activities	
Investment income	7,766
Certificates of deposit	(5,169)
Property and equipment additions	<u>(4,478)</u>
Net cash flow from investing activities	<u>(1,881)</u>
 Net Change in Cash and Cash Equivalents	 38,872
 Cash and Cash Equivalents - Beginning	 <u>374,048</u>
 Cash and Cash Equivalents - Ending	 \$ <u>412,920</u>
 Reconciliation of Change in Net Assets to Net Cash Flows from Operating Activities	
Change in net assets	\$ 18,178
Adjustments	
Depreciation expense	1,255
Investment income	(7,766)
Change in assets and liabilities	
Prepaid expense	3,429
Accounts payable	(19,933)
Accrued state cost recovery assessment	40,975
Due from other government	<u>4,616</u>
 Net Cash Flows from Operating Activities	 \$ <u>40,754</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

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

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

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

Under the accrual basis, revenues and expenses are identified with specific periods of time, and are recorded as incurred, along with acquired assets and/or liabilities incurred without regard to the date of receipt or payment of cash. The measurement focus refers to what is being recognized in the financial statements. In proprietary accounting, the measurement focus is the same as in commercial enterprises, namely the flow of economic resources. This includes the capitalization of fixed assets, charging depreciation expense and recording long term debt as a fund liability.

Effective for 2008, WCIDA was required to submit a budget to the New York State Office of the State Comptroller. See Note 14.

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

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

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

Investment Policy - WCIDA has a formal investment policy approved by the Board of Directors that defines permitted investments and establishes collateralization requirements for all investments.

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

Restricted Certificate of Deposit - WCIDA has elected to not 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.

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

Property and Equipment - Property and equipment is stated at the lower of cost or fair market value at the date of donation or the date of purchase, less accumulated depreciation. Routine maintenance and repairs are charged to operations as they are incurred. Expenditures which extend the useful life of an asset in excess of \$1,000 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

3 - 7 Years

Depreciation expense amounted to \$1,255 for the year ended December 31, 2009.

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 recoveries of loans previously charged off are charged or credited to the allowance as incurred or realized, respectively.

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

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

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

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

Note 2. Certificates of Deposit

As of December 31, 2009, WCIDA was invested in certificates of deposit held at banks as follows:

Unrestricted

A nine month certificate of deposit at Canandaigua National Bank with interest at 1.40% maturing on May 25, 2010.	\$ 112,612
A nine month certificate of deposit at Savannah Bank with interest at 1.44% maturing on April 9, 2010.	76,472
A six month certificate of deposit at Savannah Bank with interest at 1.05% maturing on April 21, 2010.	<u>75,562</u>
Total	<u>\$ 264,646</u>

Restricted

A twelve month certificate of deposit at Lyons National Bank with interest at 1.00% maturing on February 17, 2010. Use of funds is restricted to unemployment insurance claims.	<u>\$ 27,595</u>
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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. The 2009 Wayne County budget appropriated \$257,400 for WCIDA for contractual services, which was paid through quarterly installments. The County also has appropriated funding to WCIDA for business retention and attraction projects in the amount of \$292,600 during the year ended December 31, 2009.

At December 31, 2009, no outstanding amounts were owed by the County.

Agency Fees - Agency fees, resulting from the establishment of PILOT agreements, amounted to \$56,334 for the year ended December 31, 2009.

Note 4. Revolving Loan Funds

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

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

Total revolving loans receivable from various commercial enterprises as of December 31, 2009 were \$2,058,926. The loans have an associated allowance for loan losses of \$176,800 resulting in net loans receivable of \$1,882,126.

At December 31, 2009, total interest receivable due on revolving loans amounted to \$18,211. In addition, at December 31, 2009, total loans included in the revolving loan funds on a non-accrual status amounted to approximately \$255,000. Interest on these loans is recorded when paid to WCIDA. At December 31, 2009 interest not received or recorded amounted to \$16,398.

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

Note 5. Property and Equipment

Property and equipment consists of the following at December 31, 2009:

Operating Fund		
Land	\$	400,238
Equipment		<u>14,464</u>
Sub-total		414,702
Less, accumulated depreciation		<u>(6,538)</u>
Property and equipment - net	\$	<u><u>408,164</u></u>
Revolving Loan Fund		
Land	\$	<u>23,668</u>

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

In 2008, a deed was recorded for land donated by WCIDA (recorded at \$342,700) to the Town of Macedon ("the Town"). This transfer was approved by the Board of Directors in 2007. The donation of the land required the Town to commence construction of a municipal/emergency services facility on the site on or before January 15, 2009. If this obligation was not met, WCIDA reserved the right to either require payment from the Town of the fair market value of the property, as determined by a licensed real estate appraiser, or receiving the property back. Construction did not commence by January 15, 2009. As of March 29, 2010, WCIDA is still reviewing this matter and waiting upon a resolution from the Town.

Note 6. Line of Credit

WCIDA maintains a \$1,000,000 line of credit with Lyons National Bank that bears interest at prime rate minus 1%, or 2.25% at December 31, 2009. At December 31, 2009, the outstanding principal balance was \$-. The line of credit is collateralized by the loans receivable generated by the Revolving Loan Fund. WCIDA also has a second line of credit with Lyons National Bank in the amount of \$500,000 that also bears interest at the prime rate minus 1%. At December 31, 2009, the outstanding principal balance was \$-. This line is also collateralized by the loans receivable generated by the Revolving Loans Fund and requires that the loan aging report be submitted to the bank quarterly. Both lines expire June 2010.

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.

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

<u>Company</u>	<u>Date of Issuance</u>	<u>Date of Maturity</u>	<u>Outstanding End of Year</u>
Seneca Foods Corporation	1992	2112	\$ 5,060,000
Wayne Hostels Holding	1993	2018	<u>2,150,000</u>
Total			<u><u>\$ 7,210,000</u></u>

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

Note 8. Payments in Lieu of Taxes (PILOT's)

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

WCIDA is responsible for tracking all PILOT payments whether made by WCIDA in connection with property it owns or made directly to the taxing authorities by the organizations participating in the program. A total of 41 organizations participated in the PILOT's program and \$1,522,055 in payments were administered by WCIDA for the year ended December 31, 2009.

Note 9. In-Kind Contributions

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

WCIDA offices are housed in a building owned by the County. The County does not charge rents to WCIDA for the use of the facility. Based upon office square footage of 1,054 square feet and a rate of \$8.54 per square foot, total rents of \$9,000 have been recorded as rent expense and a corresponding amount is included in revenue as part of grants revenue.

Note 10. Employee Benefit Plan

Plan Description

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

Funding Policy

The ERS is contributory except for employees who joined the ERS after July 27, 1976, who contribute 3% of their salary. Under the authority of NYSRSSL, the Comptroller shall certify annually the rate expressed as proportions of payroll of members, which shall be used in computing the contributions required to be made by employers to the pension accumulation fund.

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

2009	\$	16,670
2008	\$	19,066
2007	\$	19,621

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

The ERS plan year ends March 31st. The required contribution noted above for 2009 is for the plan year ending March 31, 2010. The contribution was paid before December 31, 2009, resulting in a prepaid expense of \$4,110 at December 31, 2009.

Note 11. Concentrations of Credit Risk

As required by the investment policy, collateral is required for time deposits and certificates of deposit not covered by Federal Deposit Insurance Corporation. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and towns. As of December 31, 2009, WCIDA accounts were not fully collateralized, and uncollateralized accounts amounted to approximately \$205,000.

Note 12. Contributions

A. Wayne Industrial Sustainability Park

Wayne Industrial Sustainability Park (WISP) is an entity that was created by WCIDA during 2006. WISP's primary purpose is to enhance the economic development located in pods of sustainable industrial communities throughout the county. Currently, the land donated at Silver Hills is a pod and the land purchased in Ontario (the 84 Lumber site) is a pod. During 2006 WCIDA contributed \$60,000 in cash along with paying for legal and set-up costs, including legal, mapping and engineering, totaling \$27,154. During 2009, WCIDA contributed an additional \$15,000 in various expenses related to the project. There were no contributions in 2008. WCIDA does not expect to be reimbursed for any of these costs and therefore expensed them in the year contributed.

B. Finger Lakes Community College

During 2006, Finger Lakes Community College (FLCC) set up a Wayne County Campus location at Silver Hills Technology Park. WCIDA wanted to recognize the importance of a well-trained workforce and contributed to the FLCC campus improvement, primarily costs for the construction of a parking lot, totaling \$76,600. WCIDA received reimbursement from the Village of Newark of \$35,000, resulting in a net expense contributed to the parking lot of \$41,600. WCIDA provided funding of \$20,000 towards the lease during 2006, 2007 and 2008. The funding committed for 2008 was paid in 2009.

Note 13. State Cost Recovery Assessment

Public Authorities Law Section 2975 was passed in 2009 and established a cost recovery of central government services provided to public authorities by New York State. The 2009-2010 administrative services assessment for the Agency is \$40,975, and was billed to the Agency by the New York State Department of Taxation in February 2010 and is due March 31, 2010. The cost recovery assessment was accrued in the 2009 financial statements. Management has joined with other public authorities to challenge the legality of the assessment and its calculation methodology.

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Notes to Financial Statements

Note 14. Budget Comparison

The following is a comparison of actual expenditures to budgeted expenditures for the year ended December 31, 2009:

	<u>Budget</u>	<u>Actual</u>	<u>Difference</u>
Program/contractual services/other	\$ 523,650	\$ 383,517	\$ 140,133
Salaries	217,350	227,151	(9,801)
Employee benefits	86,650	73,244	13,406
Capital asset outlay	600,000	-	600,000
Depreciation	300	1,255	(955)
Occupancy	<u>9,000</u>	<u>9,000</u>	<u>-</u>
Total	<u>\$ 1,436,950</u>	<u>\$ 694,167</u>	<u>\$ 742,783</u>

The differences in salaries and employee benefits result from classification. Depreciation is a non-cash expenditure and the difference results from asset additions in 2009.

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Supplementary Schedule of Revolving Loan Funds
December 31, 2009

	<u>WCIDA Revolving Loan Fund</u>	<u>Small Cities Loan Fund</u>	<u>Agri Business Loan Fund</u>	<u>Other Loan Fund</u>	<u>Total Revolving Loan Funds</u>
ASSETS					
Assets					
Restricted cash	\$ 598,055	\$ 546,304	\$ 318,835	\$ 109,422	\$ 1,572,616
Loans receivable - net of allowance for loan losses	1,477,503	120,858	219,323	64,442	1,882,126
Interest receivable	11,455	1,581	4,557	618	18,211
Property and equipment - net	<u>-</u>	<u>23,668</u>	<u>-</u>	<u>-</u>	<u>23,668</u>
Total Assets	<u>\$ 2,087,013</u>	<u>\$ 692,411</u>	<u>\$ 542,715</u>	<u>\$ 174,482</u>	<u>\$ 3,496,621</u>
NET ASSETS					
Net Assets					
Restricted revolving funds	<u>\$ 2,087,013</u>	<u>\$ 692,411</u>	<u>\$ 542,715</u>	<u>\$ 174,482</u>	<u>\$ 3,496,621</u>
Total	<u>\$ 2,087,013</u>	<u>\$ 692,411</u>	<u>\$ 542,715</u>	<u>\$ 174,482</u>	<u>\$ 3,496,621</u>

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Supplementary Schedule of Revolving Loan Funds
For the Year Ended December 31, 2009

	WCIDA Revolving Loan Fund	Small Cities Loan Fund	Agri Business Loan Fund	Other Loan Fund	Total Revolving Loan Funds
Revenues					
Interest - loans	\$ 60,816	\$ 3,959	\$ 11,851	\$ 2,483	\$ 79,109
Interest - banks	<u>2,724</u>	<u>1,236</u>	<u>511</u>	<u>432</u>	<u>4,903</u>
Total revenues	<u>63,540</u>	<u>5,195</u>	<u>12,362</u>	<u>2,915</u>	<u>84,012</u>
Expenses					
Administrative and technical assistance	176	495	1,236	200	2,107
Loan loss (recovery)	16,800	3,400	(10,668)	-	9,532
Real estate taxes	<u>-</u>	<u>3,024</u>	<u>-</u>	<u>-</u>	<u>3,024</u>
Total expenses	<u>16,976</u>	<u>6,919</u>	<u>(9,432)</u>	<u>200</u>	<u>14,663</u>
Change in Net Assets	46,564	(1,724)	21,794	2,715	69,349
Net Assets - Beginning	<u>2,040,449</u>	<u>694,135</u>	<u>520,921</u>	<u>171,767</u>	<u>3,427,272</u>
Net Assets - Ending	<u>\$ 2,087,013</u>	<u>\$ 692,411</u>	<u>\$ 542,715</u>	<u>\$ 174,482</u>	<u>\$ 3,496,621</u>

**Wayne County Industrial Development Agency
Project Information
December 31, 2009**

Project Code	Project Type	Project Name	Related to an existing multi-phase project?	If Yes: What is the original project code?	Project Purpose Category	Total Project Amount	Benefited Project Amount	Bond/Note Amount	Annual Lease Payment	Federal Tax Status of Bonds	Is the applicant a Not for Profit corporation?	Date Project Approved	Did the IDA take title or leasehold interest to the property?	Date IDA Took Title or Leasehold Interest in Property	Year Financial Assistance is Planned to End	State Sales Tax Exemption	Local Sales Tax Exemption (Sum of City/Town/Village)
5401-06-05A	Lease	N. Development - Biodiesel	N		Manufacturing	915,470	840,000	-	-		N	7/24/2006	Y	10/11/2006	2022	-	-
5401-04-01A	Lease	Maco Bag/Miller Holding	N		Manufacturing	1,555,000	1,525,000	-	-		N	7/28/2004	Y	10/1/2004	2015	-	-
5401-04-04A	Lease	Photon Gear, Inc.	N		Manufacturing	461,720	441,150	-	-		N	11/12/2004	Y	1/13/2006	2016	-	-
5401-98-03A	Lease	Parkwood Heights	N		Continuing Care F	9,309,000	8,400,000	-	-		N	8/28/1998	Y	11/1/1999	2009	-	-
5401-05-01A	Lease	DJ Property Management	N		Manufacturing	6,650,000	6,300,000	-	-		N	10/28/2005	Y	11/17/2005	2016	-	-
5401-05-03A	Lease	Garlock Sealing Technologies	N		Manufacturing	37,000,000	37,000,000	-	-		N	12/28/2005	Y	2/27/2006	2025	-	-
5401-02-03A	Lease	Acadia Polymers Corp	N		Manufacturing	1,277,000	750,000	-	-		N	8/21/2002	Y	2/17/2004	2014	-	-
5401-04-03A	Lease	Palmyra Inn Investment, LLC	N		Services	3,410,000	3,163,100	-	-		N	10/18/2004	Y	2/23/2005	2015	-	-
5401-98-06A	Lease	The Guild (Permar)	N		Manufacturing	989,000	949,000	-	-		N	10/27/1998	Y	3/1/1999	2020	-	-
5401-98-05A	Lease	ERM Associates, LLC	N		Manufacturing	1,420,500	1,381,500	-	-		N	10/27/1998	Y	3/1/1999	2014	-	-
ED9327801A	Bonds/Note	Wayne Hostels Holding (ARC)	N		Civic Facility	3,990,000	3,850,000	3,850,000	-	T/E	Y	1/22/1993	Y	3/30/1993	2018	-	-
5401-07-04A	Lease	Upstate Refractory Services	N		Manufacturing	1,100,000	1,080,000	-	-		N	5/17/2007	Y	10/29/2007	2019	-	-
5401-00-01A	Lease	Information Packaging Corp.	N		Manufacturing	1,400,400	1,300,000	-	-		N	6/30/2000	Y	12/27/2000	2015	-	-
5401-07-01A	Lease	ERM Associates - 2	Y	5401-98-05A	Manufacturing	4,956,980	4,830,980	-	-		N	4/2/2007	Y	4/5/2007	2018	-	-
5401-02-04A	Lease	Cahoon Farms Leasing	N		Manufacturing	2,443,200	1,687,040	-	-		N	10/28/2002	Y	2/22/2003	2014	-	-
5401-03-02A	Lease	Spoon Exhibit Services	N		Manufacturing	2,450,500	2,095,000	-	-		N	10/7/2003	Y	11/14/2003	2013	-	-
5401-99-03A	Lease	Murphy Co., Inc.	N		Manufacturing	800,000	800,000	-	-		N	7/30/1999	Y	3/1/2000	2011	-	-
5401-06-01A	Lease	Koch Acquisitions/Ariel Optics	N		Manufacturing	428,400	340,000	-	-		N	2/13/2006	Y	3/29/2006	2017	-	-
5401-07-06A	Lease	Halstead Machine - 2	Y	5401-00-02A	Manufacturing	291,000	279,500	-	-		N	10/26/2007	Y	9/9/2008	2019	-	-
5401-04-02A	Lease	CL Enterprises LLC	N		Manufacturing	220,000	206,000	-	-		N	9/1/2004	Y	2/27/2006	2016	-	-
5401-05-02A/02B	Lease	Colony Realty-Wine & Liquor	N		Wholesale Trade	8,540,000	8,540,000	-	-		N	12/9/2005	Y	2/22/2006	2016	-	-
5401-98-04A	Lease	Millenium Machining	N		Manufacturing	2,444,700	2,280,000	-	-		N	9/30/1998	Y	4/1/1999	2009	-	-
5401-98-07A	Bonds/Note	Freund/Division Partners	N		Manufacturing	3,450,000	3,285,000	3,800,000	-	T/E	N	12/28/1998	Y	5/1/1999	2010	-	-
5401-01-01A	Lease	Micro Tech Machine	N		Manufacturing	654,000	600,000	-	-		N	5/16/2001	Y	9/28/2001	2012	-	-
5401-06-03A	Lease	Silver Hill - FLCC	N		Other Categories	750,000	700,000	-	-		Y	5/1/2006	Y	8/4/2006	2022	-	-
LD97009-02A9	Lease	Leggio d/b/a Skyline North	N		Manufacturing	1,100,000	885,000	-	-		N	9/22/1997	Y	10/31/1997	2018	-	-
5401-99-02A	Lease	N. Development - Harbec	N		Manufacturing	1,785,000	1,541,000	-	-		N	5/10/1999	Y	11/1/1999	2009	-	-
5401-07-05A	Lease	Legendary Auto	N		Manufacturing	1,800,000	1,800,000	-	-		N	4/16/2009	Y	6/1/2009	2020	-	-
5401-06-02A	Lease	Wayne Industrial Sustainability	N		Other Categories	481,400	481,400	-	-		Y	2/22/2006	Y	2/22/2006	2011	-	-
5401-07-03A/B	Lease	Bella Design	N		Manufacturing	568,132	540,000	-	-		N	4/27/2007	Y	8/1/2007	2018	-	-
5401-02-01A	Lease	Kairos, LLC/Ankom Technology	N		Manufacturing	837,500	750,000	-	-		N	2/22/2002	Y	12/23/2002	2014	-	-
5401-99-04A	Lease	Thomas Electronics	N		Manufacturing	1,755,000	1,633,000	-	-		N	8/20/1999	Y	2/1/2000	2010	-	-
5401-06-04A	Lease	Parkwood Heights - Villas	Y	5401-98-03A	Continuing Care F	3,098,957	2,836,457	-	-		N	5/10/2006	Y	6/1/2006	2017	-	-
5401-07-02A	Lease	K.M. Davies Co., Inc.	N		Agriculture, Fores	3,400,000	3,400,000	-	-		N	5/25/2007	Y	6/22/2007	2019	-	-
5401-00-02A	Lease	Halstead Machine	N		Manufacturing	550,000	427,000	-	-		N	7/31/2000	Y	11/28/2000	2014	-	-
ED9227901A	Bonds/Note	Seneca Foods Corp	N		Manufacturing	8,000,000	5,060,000	5,060,000	-	T/E	N	10/26/1981	Y	8/1/1982	2012	-	-
5401-98-02A	Lease	Mobil Chemical	N		Manufacturing	6,000,000	6,000,000	-	-		N	8/28/1998	Y	2/1/1999	2019	-	-
5401-98-01A	Lease	Maxpro	N		Manufacturing	2,500,000	2,336,364	-	-		N	2/12/1998	Y	5/1/1998	2011	-	-
5401-08-01A	Lease	CIDC	N		Other Categories	417,500	417,500	-	-		N	2/22/2008	Y	2/1/2008	2018	-	-
5401-08--03A	Lease	Marshall Farms - Pet Products	N		Agriculture, Fores	696,000	675,000	-	-		N	10/24/2008	Y	11/1/2008	2019	3,648	3,648
5401-08-05A/B	Lease	Weslor Enterprises	N		Manufacturing	1,500,000	1,500,000	-	-		N	10/24/2008	Y	11/1/2008	2019	-	-
5401-08-04A/B	Lease	JAMKO	N		Manufacturing	1,230,000	1,200,000	-	-		N	10/24/2008	Y	11/1/2008	2019	25,508	25,508
5401-09-02A	Lease	Prime Development Holdings	N		Retail Trade	2,400,000	850,000	-	-		N	6/19/2009	N	00/00/0000	2009	2,572	2,572

Wayne County Industrial Development Agency
Project Information
December 31, 2009

County Real Property Tax Exemption	Local Property Tax Exemption	School Property Tax Exemption	Mortgage Recording Tax Exemption	Total Exemptions Net of RPTL Section 485-b Exemptions	County PILOT - PAID	Local PILOT - PAID	School District PILOT - PAID	County PILOT - DUE	Local PILOT - DUE	School District PILOT - DUE	# 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	Est. avg. annual salary of jobs to be retained (at current market rate)	Current # of FTEs	# of FTE construction jobs during fiscal year
3,294	1,127	8,510	-	12,931	3,294	1,127	8,510	3,294	1,127	8,510	-	8	25,000	20,000	30,000	-	-	-	-
6,954	11,584	18,363	-	27,882	3,513	5,851	9,276	3,513	5,851	9,276	-	175	32,000	25,000	38,400	-	-	132	-
3,737	1,278	9,650	-	6,552	556	190	1,436	556	190	1,436	6	2	75,000	60,000	90,000	-	-	12	-
31,387	11,317	94,829	-	32,350	28,404	10,241	90,323	28,404	10,241	90,323	-	49	18,364	15,000	22,000	-	-	40	-
10,769	3,684	27,811	-	28,358	10,769	3,684	27,811	10,769	3,684	27,811	65	8	55,125	45,000	65,000	-	-	70	-
37,128	17,818	105,434	-	160,380	37,128	17,818	105,434	37,128	17,818	105,434	548	-	-	-	-	548	50,730	756	-
5,690	3,733	15,355	-	17,480	3,544	2,325	12,460	3,544	2,325	12,460	38	32	41,875	33,500	50,250	-	-	47	-
29,707	17,383	92,311	-	74,488	29,707	17,383	92,311	29,707	17,383	92,311	-	11	15,208	12,500	18,250	-	-	12	-
11,818	18,989	23,395	-	-	5,442	8,744	13,407	5,442	8,744	13,407	73	68	28,571	20,000	35,000	-	-	104	-
32,310	11,052	83,440	-	57,376	5,079	1,737	13,115	5,079	1,737	13,115	-	75	28,364	20,000	35,000	-	-	79	-
-	-	-	-	-	-	-	-	-	-	-	63	35	22,464	15,000	27,000	-	-	113	-
-	-	20,986	-	20,986	-	-	789	-	-	789	18	5	30,000	24,000	36,000	-	-	29	-
10,336	3,727	31,229	-	45,138	7,955	2,868	24,034	7,955	2,868	24,034	50	25	29,960	20,000	36,000	-	-	38	-
-	-	-	-	-	-	-	-	-	-	-	99	69	34,493	25,000	40,000	-	-	-	-
15,676	6,365	31,815	-	1,536	11,503	4,670	23,886	11,503	4,670	23,886	85	20	25,000	20,000	30,000	-	-	100	-
19,226	6,932	69,393	-	34,733	1,744	629	6,318	1,744	629	6,318	-	49	43,878	35,000	55,000	-	-	23	-
8,384	3,023	25,330	-	4,754	4,893	1,764	14,783	4,893	1,764	14,783	-	68	18,000	12,500	21,500	-	-	-	-
3,404	1,164	8,791	-	5,344	556	190	1,436	556	190	1,436	3	5	16,625	12,000	20,000	-	-	6	-
-	-	-	-	-	-	-	-	-	-	-	50	5	40,000	32,000	48,000	-	-	-	-
3,660	1,320	11,058	-	5,613	2,468	890	7,457	2,468	890	7,457	11	5	30,000	24,000	36,000	-	-	10	-
38,498	117,347	100,004	-	222,741	31,091	94,735	78,440	31,091	94,735	78,440	-	80	36,375	29,000	45,000	-	-	137	1
24,752	8,925	89,341	-	56,110	19,232	6,934	89,341	19,232	6,934	89,341	145	-	-	-	-	80	17,500	92	-
11,130	6,513	34,587	-	8,587	4,055	2,373	11,034	4,055	2,373	11,034	80	29	24,912	20,000	30,000	-	-	74	-
5,977	9,955	15,781	-	5,474	4,070	6,780	10,747	4,070	6,780	10,747	32	10	33,000	26,500	40,000	-	-	44	-
5,417	9,023	14,304	-	28,744	3,235	5,389	8,543	3,235	5,389	8,543	-	-	-	-	-	-	-	4	-
6,506	2,346	19,657	-	4,169	5,784	2,086	17,476	5,784	2,086	17,476	-	14	26,667	20,000	32,000	-	-	15	-
10,319	3,491	26,647	-	5,541	6,680	2,260	-	6,680	2,260	17,251	105	20	20,500	16,500	24,500	-	-	96	-
-	-	-	20,813	-	-	-	-	-	-	-	60	10	39,500	31,500	47,500	-	-	60	-
3,826	6,373	10,103	-	20,302	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5,467	1,971	19,732	-	12,227	1,302	469	4,704	1,302	469	4,704	5	4	37,500	30,000	45,000	-	-	8	-
6,497	2,342	19,628	-	5,694	3,990	1,439	12,055	3,990	1,439	12,055	-	16	59,375	47,500	71,500	-	-	22	-
2,589	6,274	7,200	-	11,956	1,753	4,250	4,909	1,753	4,250	4,909	130	28	35,143	27,500	42,500	-	-	128	-
18,197	6,561	54,977	-	22,409	3,059	1,103	9,243	3,059	1,103	9,243	-	-	19,500	15,500	23,500	-	-	-	-
29,194	16,019	82,688	-	63,951	-	-	-	-	-	-	20	7	16,343	13,000	20,000	-	-	29	-
4,678	7,792	12,352	-	1,241	3,195	5,017	8,435	3,195	5,017	8,435	50	5	20,000	16,000	24,000	-	-	42	-
29,845	19,583	80,438	-	56,434	29,469	19,336	80,438	29,469	19,583	80,438	125	6	20,000	16,000	24,000	-	-	69	-
62,430	22,510	188,619	-	198,828	41,554	14,983	125,547	41,554	14,983	125,547	100	193	23,316	17,500	28,000	-	-	146	-
16,447	5,626	42,474	-	4,331	9,025	3,087	22,624	9,025	3,087	22,624	47	79	32,803	25,000	40,000	-	-	158	-
3,952	9,578	10,478	-	24,007	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	12,556	-	19,852	-	-	9,930	-	-	-	20	2	55,556	42,500	70,000	-	-	25	6
-	-	8,333	-	4,166	-	-	722	-	-	722	19	2	40,000	32,000	48,000	-	-	24	-
-	-	679	-	51,695	-	-	679	-	-	679	24	8	31,200	25,000	37,500	-	-	18	19
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9	20,000	-	-



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

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

We have audited the financial statements of Wayne County Industrial Development Agency as of and for the year ended December 31, 2009, and have issued our report dated March 29, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Governmental Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs, 2009-1, that we consider to be a significant deficiency in internal control over financial reporting. *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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Wayne County Industrial Development Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2009-1.

Wayne County Industrial Development Agency's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Wayne County Industrial Development Agency's response and, accordingly, we express no opinion on it.

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

EFP Rotenberg, LLP

EFP Rotenberg LLP
Rochester, New York
March 29, 2010

WAYNE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2009

SUMMARY OF AUDITORS' RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of the Wayne County Industrial Development Agency .
2. No material weaknesses relating to the audit of the financial statements are reported in the Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Required By *Government Auditing Standards*.
3. One instance of noncompliance material to the financial statements of the Wayne County Industrial Development Agency was disclosed during the audit.

FINDINGS - FINANCIAL STATEMENT AUDIT

FINDING 2009-1

Significant Deficiency - Under Collateralized Deposits: Amounts held by Wayne County Industrial Development Agency, at Lyons National Bank as of December 31, 2009, were not fully collateralized. On December 31, 2009 the amount of uncollateralized deposits totaled approximately \$9,000.

Recommendation: Procedures should be implemented to provide monthly tracking of collateralized deposits at all banks used by the Wayne County Industrial Development Agency.

Management Response: Although according to their Third Party Collateralization Agreements it is the responsibility of the banks to maintain proper collateral to secure deposits exceeding the FDIC's insured level, the Wayne County Industrial Development Agency has implemented a process of tracking the collateralization of deposits at all banks as part of its monthly account reconciliation procedure and the tracking will be added to the scope of the quarterly work currently being done by another accounting firm.