

**WAYNE INDUSTRIAL SUSTAINABILITY  
DEVELOPMENT CORPORATION**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2010**

**WAYNE INDUSTRIAL SUSTAINABILITY DEVELOPMENT CORPORATION**

**TABLE OF CONTENTS**

---

<b><u>AUDITED FINANCIAL STATEMENTS</u></b>	<b><u>PAGE</u></b>
INDEPENDENT AUDITORS' REPORT	1 - 2
MANAGEMENT'S DISCUSSION AND ANALYSIS	3 - 6
STATEMENTS OF NET ASSETS	7
STATEMENTS OF ACTIVITIES	8
STATEMENTS OF CASH FLOWS	9
NOTE TO FINANCIAL STATEMENTS	10
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</i> <i>AUDITING STANDARDS</i>	11 - 12



## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Wayne Industrial Sustainability Development Corporation  
Lyons, New York

We have audited the accompanying statement of net assets of Wayne Industrial Sustainability Development Corporation as of December 31, 2010 and 2009, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of Wayne Industrial Sustainability Development Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wayne Industrial Sustainability Development Corporation as of December 31, 2010 and 2009, and the changes in its net assets 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 28, 2011, on our consideration of Wayne Industrial Sustainability Development Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on page 3 through 6 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.

*EFP Rotenberg, LLP*

EFP Rotenberg, LLP  
Rochester, New York  
March 28, 2011

**WAYNE INDUSTRIAL SUSTAINABILITY DEVELOPMENT CORPORATION**  
**Management's Discussion and Analysis**  
**For the Years Ended December 31, 2010 and 2009**

---

As management of the Wayne Industrial Sustainability Development Corporation (the "Corporation") we offer readers of the Corporation's financial statements this narrative overview and analysis of the financial activities of the Corporation for the years ended December 31, 2010, 2009 and 2008. This narrative should be read in conjunction with the Corporation's separately issued and audited financial statements.

**Financial Highlights**

- The assets of the Corporation exceed its liabilities (net assets) at December 31, 2010 and 2009 by \$1,240,540 and \$1,228,693, respectively. Of this amount, \$1,226,000 is undeveloped land being held for development for projects that further the Corporation's purpose of assisting existing and potential "green" businesses in Wayne County. There were no development activities conducted in 2010 and 2009.

**Overview of the Financial Statements**

This discussion and analysis are intended to serve as an introduction to the Corporation'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 Corporation.

**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, 2010 and 2009. The statements provide information about the amounts and investments in resources (assets) and the obligations to creditors (liabilities).
- **Statements of Activities** - Presents the financial activity for the year ended December 31, 2010 and 2009 and displays how this activity changed the Corporation's net assets. The statements provide information on the Corporation'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 2010 and 2009 and how it affects the cash balance at December 31, 2010 and 2009, respectively.
- **Notes to Financial Statements** - Provide information regarding the Corporation and explain in more detail information included in the financial statements.

**Financial Analysis**

The Corporation was formed to support and further the activities of the Wayne County Industrial Development Agency. It provides financial, educational and other technical support related to sustainability, green technologies and renewable energy where these activities promote the creation or retention of jobs, improve the tax base and protect the public's investment in infrastructure. The Corporation's net assets may serve over time as a useful indicator of its financial position. In the case of the Corporation, assets exceeded liabilities by \$1,240,540.

**WAYNE INDUSTRIAL SUSTAINABILITY DEVELOPMENT CORPORATION**  
**Management's Discussion and Analysis**  
**For the Years Ended December 31, 2010 and 2009**

By far the Corporation's largest type of asset is its property. A condensed version of the Corporation's statement of net assets follows:

**Table 1**  
**Condensed Statements of Net Assets**  
**(In Thousands of Dollars)**

	<u>2010</u>	<u>2009</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>	<u>2008</u>	<u>Dollar</u> <u>Change</u>	<u>Percent</u> <u>Change</u>
<b>Assets</b>							
Cash	13.7	1.4	12.3	879.0	4.0	(2.6)	(65.0)
Property and equipment - net	1,226.0	1,226.0	0.0	0.0	1,226.0	0.0	0.0
Other assets	0.8	1.3	(0.5)	(38.0)	0.0	1.3	0.0
<b>Total Assets</b>	<b>1,240.5</b>	<b>1,228.7</b>	11.8	1.0	<b>1,230.0</b>	(1.3)	(0.1)
<b>Liabilities</b>							
Accounts payable	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Deposits	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Liabilities</b>	<b>0.0</b>	<b>0.0</b>	0.0	0.0	<b>0.0</b>	0.0	0.0
Net Assets - Unrestricted	1,240.5	1,228.7	11.8	1.0	1,230.0	(1.3)	(0.1)
Net Assets - Restricted	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Net Assets</b>	<b>1,240.5</b>	<b>1,228.7</b>	11.8	1.0	<b>1,230.0</b>	(1.3)	(0.1)

There were no significant changes during 2010.

**WAYNE INDUSTRIAL SUSTAINABILITY DEVELOPMENT CORPORATION**  
**Management's Discussion and Analysis**  
**For the Years Ended December 31, 2010 and 2009**

A condensed version of the Corporation'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>2010</u>	<u>2009</u>	<u>Dollar Change</u>	<u>Percent Change</u>	<u>2008</u>	<u>Dollar Change</u>	<u>Percent Change</u>
<b>Revenues</b>							
Contributions	30.0	15.0	15.0	100.0	0.0	15.0	0.0
Interest – banks	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other income	0.0	0.0	0.0	0.0	0.0	0.0	0.0
<b>Total Revenues</b>	<b>30.0</b>	<b>15.0</b>	<b>15.0</b>	<b>100.0</b>	<b>0.0</b>	<b>15.0</b>	<b>0.0</b>
<b>Expenses</b>							
Insurance	3.7	2.5	1.2	48.0	3.9	(1.4)	(35.9)
Professional fees	10.2	10.7	(0.5)	(4.7)	1.2	9.5	791.7
Miscellaneous expense	0.2	0.0	0.2	100.0	0.0	0.0	0.0
Repairs and maintenance	4.1	3.1	1.0	32.3	3.4	(0.3)	(8.8)
<b>Total Expenses</b>	<b>18.2</b>	<b>16.3</b>	<b>1.9</b>	<b>11.7</b>	<b>8.5</b>	<b>7.8</b>	<b>91.8</b>
<b>Change in Net Assets</b>	<b>11.8</b>	<b>(1.3)</b>	<b>13.1</b>	<b>1,007.7</b>	<b>(8.5)</b>	<b>7.2</b>	<b>(84.7)</b>
Beginning Net Assets	1,228.7	1,230.0	(1.3)	(0.1)	1,238.5	(8.5)	(0.7)
<b>Ending Net Assets</b>	<b>1,240.5</b>	<b>1,228.7</b>	<b>11.8</b>	<b>1.0</b>	<b>1,230.0</b>	<b>(1.3)</b>	<b>(0.1)</b>

Significant changes in the statement of revenues and expenses from 2009 to 2010 include:

- The \$30,000 contribution was received for the ongoing maintenance and repair of the Corporation's property.

**WAYNE INDUSTRIAL SUSTAINABILITY DEVELOPMENT CORPORATION**  
**Management's Discussion and Analysis**  
**For the Years Ended December 31, 2010 and 2009**

---

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

**Table 3**  
**Condensed Statements Of Cash Flows**  
**(In Thousands Of Dollars)**

	<u>2010</u>	<u>2009</u>	<u>2008</u>
<b>Cash Flows From Operating Activities</b>			
Change in net assets	11.8	(1.3)	(8.5)
Change in prepaid expenses	0.5	(1.3)	0.0
	12.3	(2.6)	(8.5)
<b>Net Change in Cash</b>			
Beginning Cash	1.4	4.0	12.5
<b>Ending Cash</b>	<b>13.7</b>	<b>1.4</b>	<b>4.0</b>

Significant changes in the statement of cash flows include:

- Operations to date have resulted in an increase in net assets as a result of the increased contributions from the Wayne County Industrial Development Agency.

**Capital Assets**

Capital assets consist of approximately 62 acres of undeveloped land that was previously donated to the Corporation for industrial development, valued at \$1,226,000.

**Long-Term Debt**

The Corporation has no long-term debt.

**Economic Factors**

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. In particular, the attention given to alternative energy and sustainability have increased greatly from year to year.

**Contacting the Corporation**

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

**WAYNE INDUSTRIAL SUSTAINABILITY DEVELOPMENT CORPORATION**  
**Statements of Net Assets**  
**December 31, 2010 and 2009**

---

	<u>2010</u>	<u>2009</u>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$ 13,745	\$ 1,432
Prepaid insurance	795	1,261
Total current assets	<u>14,540</u>	<u>2,693</u>
<b>Land</b>	<u>1,226,000</u>	<u>1,226,000</u>
<b>Total Assets</b>	<u>\$ 1,240,540</u>	<u>\$ 1,228,693</u>
<b>NET ASSETS</b>		
<b>Net Assets - Unrestricted</b>	<u>\$ 1,240,540</u>	<u>\$ 1,228,693</u>

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

**WAYNE INDUSTRIAL SUSTAINABILITY DEVELOPMENT CORPORATION**  
**Statements of Activities**  
**For the Years Ended December 31, 2010 and 2009**

---

	<u>2010</u>	<u>2009</u>
<b>Revenues</b>		
Contributions	\$ 30,000	\$ 15,000
Interest income	52	45
Total revenues	30,052	15,045
<b>Expenses</b>		
Insurance	3,645	2,522
Miscellaneous expense	222	-
Professional fees	10,238	10,709
Repairs and maintenance	4,100	3,099
Total expenses	18,205	16,330
<b>Change in Net Assets</b>	11,847	(1,285)
<b>Net Assets - Beginning</b>	1,228,693	1,229,978
<b>Net Assets - Ending</b>	\$ 1,240,540	\$1,228,693

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

**WAYNE INDUSTRIAL SUSTAINABILITY DEVELOPMENT CORPORATION**  
**Statements of Cash Flows**  
**For the Years Ended December 31, 2010 and 2009**

---

	<u>2010</u>	<u>2009</u>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 11,847	\$ (1,285)
Change in prepaid insurance	<u>466</u>	<u>(1,261)</u>
<b>Net Change in Cash</b>	12,313	(2,546)
<b>Cash - Beginning</b>	<u>1,432</u>	<u>3,978</u>
<b>Cash - Ending</b>	<u>\$ 13,745</u>	<u>\$ 1,432</u>

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

**WAYNE INDUSTRIAL SUSTAINABILITY DEVELOPMENT CORPORATION**  
**Note to Financial Statements**

---

**Note 1. Summary of Significant Accounting Policies**

**Nature of Organization** - The Wayne Industrial Sustainability Corporation (the Corporation) was incorporated on October 5, 2005 as a local development corporation under Article 14 of Membership Corporation Law of the State of New York. The Corporation was formed to enhance economic development located in pods of sustainable industrial communities throughout Wayne County.

**Measurement Focus and Basis of Accounting** - The accounts of Wayne Industrial Sustainability Development Corporation are maintained on the accrual basis of accounting.

**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 Corporation prepares its financial statements in accordance with Accounting Standards Codification (ASC) 958-205, Financial Statements of Not-for-Profit Organizations. Under ASC 958-205, the Corporation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. At December 31, 2010 and 2009, the Corporation did not have any temporarily restricted net assets or permanently restricted net assets.

**Significant Programs** - The Corporation is a local development corporation operating exclusively for the charitable or public purpose of relieving and reducing unemployment through the enhancement of economic development. The Corporation receives all funding from a related party.

**Cash and Cash Equivalents** - For the purposes of the statements of net assets 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. At December 31, 2010 and 2009, there were no cash equivalents.

**Income Taxes** - The Corporation is a non-profit corporation and is exempt from income tax under the New York State Article 14 as a local development corporation.

In accordance with ASC 740-10-50, Accounting for Uncertainty in Income Taxes, the Organization recognizes the tax benefits from uncertain tax positions only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities. Management believes that the Organization is currently operating in compliance with the applicable requirements of the Internal Revenue Code. Therefore, no liability for unrecognized tax benefits has been included on the Organization's financial statements. The exempt Organization's informational returns are subject to audit by various taxing authorities and its open audit periods are 2007 through 2010.

**Land** - Land is stated at appraised value at the date of gift.



**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 Industrial Sustainability  
Development Corporation  
Lyons, New York

We have audited the financial statements of Wayne Industrial Sustainability Development Corporation as of and for the year ended December 31, 2010, and have issued our report dated March 28, 2011. 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 Industrial Sustainability Development Corporation'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 Industrial Sustainability Development Corporation's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Wayne Industrial Sustainability Development Corporation'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.

## Compliance and Other Matters

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

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

A handwritten signature in black ink that reads "EFP Rotenberg, LLP". The signature is written in a cursive, flowing style.

EFP Rotenberg, LLP  
Rochester, New York  
March 28, 2011