

**TOWN OF WAWAYANDA  
LOCAL DEVELOPMENT CORPORATION**

**FINANCIAL REPORT**

**DECEMBER 31, 2012, 2013, 2014 AND 2015**



**TOWN OF WAWAYANDA  
LOCAL DEVELOPMENT CORPORATION**

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Town of Wawayanda Local Development Corporation  
80 Ridgebury Hill Road  
Slate Hill, NY 10973

### Report on the Financial Statements

We have audited the accompanying financial statements of Town of Wawayanda Local Development Corporation (a non-profit Corporation) which comprise the statements of financial position as of December 31, 2012, 2013, 2014 and 2015, and the related statements of activities and cash flows for the years ended December 31, 2013, 2014 and 2015 and the 7.5 months ended December 31, 2012, and the related notes to the financial statements.

### 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 controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

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 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 the 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.

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## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Town of Wawayanda Local Development Corporation as of December 31, 2012, 2013, 2014 and 2015, and the changes in its net assets and its cash flows for the years ended December 31, 2013, 2014 and 2015 and the 7.5 months ended December 31, 2012, in conformity with accounting principles generally accepted in the United States of America.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 26, 2016 on our consideration of the Town of Wawayanda Local 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 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 the Town of Wawayanda Local Development Corporation's internal control over financial reporting and compliance.

*Vanacore, DeBenedictus, DiGiovanni & Weddell, CPAs*  
*Limited Liability Partnership*

Newburgh, NY  
May 26, 2016

**TOWN OF WAWAYANDA LOCAL DEVELOPMENT CORPORATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2012, 2013, 2014, 2015**  
**SEE INDEPENDENT AUDITOR'S REPORT**

<b>ASSETS</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>Assets:</b>				
Cash	\$ 899,190	\$ -	\$ -	\$ -
Host Community Contract Receivable (Note 4)	7,342,700	-	-	-
<b>Total Assets</b>	<b>\$ 8,241,890</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>Liabilities:</b>				
Accounts Payable	\$ 200	\$ 1,062	\$ 1,062	\$ 300
Deferred Revenue	7,342,700	-	-	-
<b>Total Liabilities</b>	<b>7,342,900</b>	<b>1,062</b>	<b>1,062</b>	<b>300</b>
<b>Net Assets:</b>				
Unrestricted	898,990	(1,062)	(1,062)	(300)
<b>Total Liabilities and Net Assets</b>	<b>\$ 8,241,890</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

See Notes to Financial Statements.

**TOWN OF WAWAYANDA LOCAL DEVELOPMENT CORPORATION**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED DECEMBER 31, 2013, 2014, 2015 AND 7.5 MONTHS ENDED DECEMBER 31, 2012**  
**SEE INDEPENDENT AUDITOR'S REPORT**

	2015	2014	2013	2012
Unrestricted Revenues:				
Host Community Payments	\$ 900,000	\$ -	\$ -	\$ -
Interest Revenue	452	-	-	-
<b>Total Revenues</b>	<b>900,452</b>	<b>-</b>	<b>-</b>	<b>-</b>
Unrestricted Expenses:				
Program Expenses				
Advertising	-	-	47	-
Attorney	-	-	315	-
Administrative Expenses	.			
Board Services	400	-	400	300
<b>Total Expenses</b>	<b>400</b>	<b>-</b>	<b>762</b>	<b>300</b>
Change in Unrestricted Net Assets	900,052	-	(762)	(300)
Net Assets - Beginning	(1,062)	(1,062)	(300)	-
Net Assets - Ending	\$ 898,990	\$ (1,062)	\$ (1,062)	\$ (300)

See Notes to Financial Statements.



**TOWN OF WAWAYANDA LOCAL DEVELOPMENT CORPORATION**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2013, 2014, 2015 AND 7.5 MONTHS ENDED DECEMBER 31, 2012**  
**SEE INDEPENDENT AUDITOR'S REPORT**

	2015	2014	2013	2012
Cash Flows from Operating Activities:				
Change in Net Assets	\$ 900,052	\$ -	\$ (762)	\$ (300)
Changes in Working Capital Components:				
Increase/(Decrease) in Accounts Payable	(862)	-	762	300
Total Adjustments	(862)	-	762	300
<b>Net Cash Provided by Operating Activities</b>	<b>899,190</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Increase in Cash</b>	<b>899,190</b>	<b>-</b>	<b>-</b>	<b>-</b>
Cash - Beginning	-	-	-	-
Cash - Ending	\$ 899,190	\$ -	\$ -	\$ -

See Notes to Financial Statements.

**TOWN OF WAWAYANDA LOCAL DEVELOPMENT CORPORATION  
NOTES TO FINANCIAL STATEMENTS**

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**Note 1. Nature of Business and Significant Accounting Policies:**

**Reporting Entity**

The Town of Wawayanda Local Development Corporation ("the LDC") was established May 16, 2012.

The LDC was formed by the members of the Town Board of the Town of Wawayanda.

The Certificate of Incorporation provides that the Corporation was created for the following purposes:

Promoting community and economic development and the creation of jobs in the non-profit and for-profit sectors for the citizens of the Town and by developing and providing programs for not-for-profit institutions, manufacturing and industrial business and other entities to access low interest tax-exempt and non-tax exempt financing for the eligible projects; and

Undertaking projects and activities within the Town for the purpose of relieving and reducing unemployment, bettering and maintaining job opportunities, carrying on scientific research for the purpose of aiding the Town by attracting new industry to the Town or by encouraging the development of, or retention of, an industry in the Town, and lessening the burdens of government and acting in the public interest.

**Basis of Accounting**

The LDC uses the accrual basis of accounting which recognizes income when it is earned and expenses when they are incurred.

**Pervasiveness of 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.

**Fair Value of Financial Instruments**

The carrying amounts of financial instruments, including receivables and payables arising in the ordinary course of business, approximate fair value due to the short maturity of these instruments.

**Subsequent Events**

The date to which events occurring after December 31, 2015, the date of the most recent statement of financial position, have been evaluated for possible adjustment to the financial statements or disclosure is May 26, 2016, which is the date on which the financial statements were available to be issued.

**Revenue Recognition**

The LDC recognizes revenue from Host Community payments during the period the required payment relates to, as specified in the Host Community Agreement. The remaining contract payments are recorded as a receivable and deferred revenue. No allowance for doubtful accounts is considered necessary.

**Advertising**

Advertising expenses are charged against income as incurred. Advertising expenses for the periods ended December 31, 2012, 2013, 2014 and 2015 were \$0, \$47, \$0 and \$0, respectively.

(Note 1 is continued on page 7.)

**TOWN OF WAWAYANDA LOCAL DEVELOPMENT CORPORATION  
NOTES TO FINANCIAL STATEMENTS**

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**Financial Statement Presentation**

The LDC records contributions received as unrestricted, temporarily restricted or permanently restricted support depending on the existence or nature of any donor restrictions. The LDC reports 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. As of December 31, 2012, 2013, 2014 and 2015, the LDC had only unrestricted net assets.

**Tax Exempt Status**

The LDC files an annual Form 990 as a tax exempt organization under section 501 (c) (3) of the Internal Revenue Code. As such, no Federal or New York State taxes are paid by the LDC. The LDC adopted the provisions of accounting principles generally accepted in the United States of America regarding accounting for uncertain tax positions. Management evaluated the LDC’s tax positions and concluded that the LDC had taken no uncertain tax positions that would require adjustment to the financial statements in order to comply with the provisions of this guidance. With few exceptions, the LDC is no longer subject to income tax examinations by the U.S. Federal, state or local tax authorities for years prior to inception in 2012.

**Note 2. Related Party Transactions:**

During 2013, the Town of Wawayanda made payments on behalf of the LDC. When the LDC received its first Host Community payment in 2015, the LDC repaid the Town.

**Note 3. Concentration of Credit Risk:**

The LDC maintains its cash in accounts which periodically exceed federally insured limits. It has not experienced any losses to date resulting from this policy.

**Note 4. Host Community Contract Receivable:**

The LDC signed a Host Community contract during 2015. Per the provisions of the Host Community contract, the following payment schedule is subject to possible adjustments for any delay between construction completion and the beginning of operations.

At December 31, 2015, the total amount receivable is due as follows:

2016	\$	-
2017		273,264
2018		281,462
2019		289,906
2020		298,603
2021-2025		1,632,882
2026-2030		1,892,958
2031-3035		2,194,456
3036		479,169
	\$	<u>7,342,700</u>



**INDEPENDENT AUDITOR'S 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**

Board of Directors  
Town of Wawayanda Local Development Corporation  
80 Ridgebury Hill Road  
Slate Hill, NY 10973

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 Town of Wawayanda Local Development Corporation ("LDC"), which comprise the statements of financial position as of December 31, 2012, 2013, 2014 and 2015 and the related statements of activities and cash flows for the years and period then ended, and the related notes to the financial statements, and have issued our report thereon dated May 26, 2016.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered LDC'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 LDC's internal control. Accordingly, we do not express an opinion on the effectiveness of LDC'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 a 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 preceding paragraph 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 LDC'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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Vanacore, DeBenedictus, DiGiovanni & Weddell, CPAs*  
*Limited Liability Partnership*

Newburgh, New York  
May 26, 2016



**TOWN OF WAWAYANDA LOCAL DEVELOPMENT CORPORATION  
SCHEDULE OF FINDINGS**

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- A. Internal Control Findings  
None noted.
- B. Compliance Findings  
None noted.