

**AUDITED
FINANCIAL STATEMENTS**

**WYOMING COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT OF WYOMING COUNTY)**

DECEMBER 31, 2016

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY

CONTENTS

Page

FINANCIAL SECTION

Independent Auditor's Report	1-2
-------------------------------------	-----

Financial Statements:

Statements of Net Position	3
Statements of Revenues, Expenses and Changes in Net Position	4
Statements of Cash Flows	5
Notes to Financial Statements	6-18

Supplemental Information:

Combining Statements of Net Position.....	19-20
Combining Statements of Revenues, Expenses and Changes in Net Position	21-22
Combining Statements of Cash Flows	23-24
Schedule of Industrial Revenue Bonds Issued by the Agency	25
Schedule of Industrial Revenue Leases Issued by the Agency.....	26-29

INTERNAL CONTROL AND COMPLIANCE

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 <i>Government Auditing Standards</i>	30-31
--	-------

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Wyoming County Industrial Development Agency
Perry, New York 14530

Report on the Financial Statements

We have audited the accompanying financial statements of the Wyoming County Industrial Development Agency, (the Agency), a component unit of Wyoming County, New York, as of and for the years ended December 31, 2016 and 2015, and the related notes to the financial statements, which collectively comprise the Agency's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Agency, as of December 31, 2016 and 2015, and the changes in its financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis and budgetary comparison information that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational economic, or historical context. Our opinion on the financial statements are not affected by this missing information.

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Agency's financial statements. The supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and are not a required part of the financial statements.

The Combining Statements of Net Position, the Combining Statements of Revenues, Expenses and Changes in Net Position and the Combining Statements of Cash Flows are the responsibility of management and are derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 Combining Statements of Net Position, the Combining Statements of Revenues, Expenses and Changes in Net Position and the Combining Statements of Cash Flows are fairly stated in all material respects in relation to the financial statements taken as a whole.

The Schedule of Industrial Revenue Bonds and the Schedule of Industrial Revenue Leases issued by the Agency have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2017 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Freed Maxick CPAs, P.C.

Batavia, New York
March 20, 2017

**WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT OF WYOMING COUNTY)**

**STATEMENTS OF NET POSITION
DECEMBER 31,**

	2016	2015
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 4,978,411	\$ 5,103,426
Accounts receivable	4,875	4,875
Accrued interest receivable	2,289	1,546
Wind farm receivable	350,374	350,374
Notes receivable, net	543,233	462,590
Prepaid expense	1,066	-
Total current assets	<u>5,880,248</u>	<u>5,922,811</u>
Property and equipment:		
Office equipment	9,005	9,005
Less: accumulated depreciation	8,068	7,856
Total property and equipment, net	<u>937</u>	<u>1,149</u>
Noncurrent assets:		
Investments - certificate of deposit	617,413	614,303
Wind farm receivable	-	350,374
Notes receivable, net	2,307,267	2,094,294
Land held for investment	206,420	50,000
Total noncurrent assets	<u>3,131,100</u>	<u>3,108,971</u>
Total assets	<u>9,012,285</u>	<u>9,032,931</u>
LIABILITIES		
Accounts payable	6,962	-
Unearned revenue	442,362	317,666
Total liabilities	<u>449,324</u>	<u>317,666</u>
NET POSITION		
Net investment in capital assets	937	1,149
Restricted	149,866	149,866
Unrestricted	8,412,158	8,564,250
Total net position	<u>\$ 8,562,961</u>	<u>\$ 8,715,265</u>

See accompanying notes.

**WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT OF WYOMING COUNTY)**

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31,**

	2016	2015
Operating revenues:		
Fees and penalties	\$ 82,954	\$ 83,378
Grant revenue	79,504	123,636
Interest income on notes receivable	78,255	86,651
Recovery of bad debt	91,327	21,331
Rental income	2,160	2,400
Total operating revenues	<u>334,200</u>	<u>317,396</u>
Operating expenses:		
Bad debt expense	10,000	-
Conferences and training	14,759	6,422
Depreciation	212	251
Insurance	4,302	4,353
Lease/rent	63,074	-
Marketing	37,600	23,520
Meetings and dinners	413	350
Memberships and publications	4,394	4,088
Office expense and printing	9,663	3,342
Professional fees	17,967	26,612
Professional services	7,172	10,749
Rail initiative	58,244	-
Salaries and benefits	240,265	229,181
Strategic plan	29,019	1,877
Subcontractors	11,003	10,021
Travel	6,371	5,879
Total operating expenses	<u>514,458</u>	<u>326,645</u>
Operating loss	(180,258)	(9,249)
Nonoperating revenues:		
Interest income	27,954	28,052
Total nonoperating revenues	<u>27,954</u>	<u>28,052</u>
Change in net position	(152,304)	18,803
Net position - beginning of year	<u>8,715,265</u>	<u>8,696,462</u>
Net position - end of year	<u>\$ 8,562,961</u>	<u>\$ 8,715,265</u>

See accompanying notes.

**WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT OF WYOMING COUNTY)**

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,**

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from providing services	\$ 639,688	\$ 447,611
Interest income on notes receivable	77,512	94,022
Repayments of notes receivable	423,961	526,089
Issuance of notes receivable	(636,250)	(165,000)
Payments to service providers and suppliers	(258,085)	(97,213)
Payments for employee services	(240,265)	(229,181)
Net cash provided by operating activities	<u>6,561</u>	<u>576,328</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	27,954	28,052
Purchase of certificate of deposit	(3,110)	(3,342)
Purchase of land held for investment	(156,420)	5,000
Net cash provided (used) by investing activities	<u>(131,576)</u>	<u>29,710</u>
Net increase (decrease) in cash and cash equivalents	(125,015)	606,038
Cash and cash equivalents - beginning of year	<u>5,103,426</u>	<u>4,497,388</u>
Cash and cash equivalents - end of year	\$ <u>4,978,411</u>	\$ <u>5,103,426</u>
Reconciliation of operating loss to net cash provided by operating activities:		
Operating loss	\$ (180,258)	\$ (9,249)
Adjustment to reconcile operating loss to net cash provided by operating activities:		
Depreciation expense	212	251
Bad debt expense, net of recoveries	(81,327)	(21,331)
Change in assets and liabilities:		
Decrease (increase) in:		
Accounts receivable	-	11,459
Accrued interest receivable	(743)	7,371
Prepaid expense	(1,066)	-
Wind farm receivable	350,374	350,374
Notes receivable	(212,289)	361,089
Increase (decrease) in:		
Accounts payable	6,962	-
Unearned revenue	124,696	(123,636)
Net cash provided by operating activities	<u>\$ 6,561</u>	<u>\$ 576,328</u>

See accompanying notes.

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Wyoming County Industrial Development Agency (the Agency) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

A. REPORTING ENTITY

PRIMARY GOVERNMENT

The Wyoming County Industrial Development Agency (the Agency) was created in 1974 by the Wyoming County Board of Supervisors and a special act of the New York State Legislature to facilitate economic development in the County. The Agency is a discretely presented component unit of Wyoming County.

COMPONENT UNIT

In conformity with accounting principles generally accepted in the United States of America, the financial statements of the Wyoming County Business Assistance Corporation, the only component unit, has been included in the financial reporting entity as a blended component unit. The blended component unit's balances are reported in the same manner as the primary government and are combined into one primary government column. This is due to the fact the component unit is so intertwined with the primary government that they are substantially the same entity.

The Wyoming County Business Assistance Corporation (the Loan Corporation) was established on May 14, 2009 by the Agency under section 1411 of the Not-For-Profit Corporation Law of the State of New York. The sole purpose of the Loan Corporation is to manage business loan funds on behalf of the Agency and is a corporation as defined in sub paragraph (a) (5) of section 102 of the Not-For-Profit Corporation Law of the State of New York.

B. BASIS OF PRESENTATION

The Agency's financial statements consist of three statements that provide information about the Agency's activities. The first statement is the statement of net position which lists all of the Agency's assets, liabilities and deferred inflows and outflows of resources, if applicable, with the difference reported as net position. The net position is classified as restricted, unrestricted and net investment in capital assets.

The second statement is the statement of revenues, expenses and changes in net position which details how the Agency's net position changed during the year based on the reporting of the revenues and expenses recognized by the Agency. The third statement is the statement of cash flows which reports the activities that provide or use the cash and cash equivalents of the Agency.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The financial statements of the Agency are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the Agency gives or receives value without directly receiving or giving equal value in exchange, include grants. Revenue from grants is recognized in the fiscal year in which all eligibility requirements have been satisfied.

D. INCOME TAXES

The Agency is a quasi-governmental organization. The Agency is not subject to federal or state income taxes, nor is it required to file federal or state income tax returns, therefore, no provision for income taxes is reflected in these financial statements.

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. CASH AND CASH EQUIVALENTS

The Agency's cash and cash equivalents consists of cash on hand, demand deposits, and certificate of deposits with original maturities of three months or less from date of acquisition. Investments consist of certificates of deposit with maturities in excess of three months.

F. ACCOUNTS RECEIVABLE/NOTES RECEIVABLE

Accounts and notes receivable are reported at their net realizable value. Generally accepted accounting principles require the establishment of an allowance for doubtful accounts. No allowance for uncollectible accounts receivable has been provided since management believes that such allowance would not be necessary.

Notes receivable are presented net of an allowance for uncollectible accounts. The Agency maintains an allowance for estimated uncollectible accounts which is based on an analysis of potential bad debts.

G. PROPERTY AND EQUIPMENT

Property and equipment is recorded at acquisition cost and depreciated over the estimated useful lives of the respective assets using the straight-line method. The cost of repairs, maintenance and minor replacements are expensed as incurred, whereas expenditures that materially extend property lives are capitalized. When depreciable property is retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any gain or loss is reflected in income. For the years ended December 31, 2016 and 2015 depreciation expense amounted to \$212 and \$251, respectively.

H. INSURANCE

The Agency is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, personal injury liability, and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. Settled claims from these risks have not yet exceeded commercial insurance coverage for the past three fiscal years.

I. UNEARNED REVENUE

The Agency and the Loan Corporation report unearned revenue in its statements of net position. Unearned revenue arises when potential revenue does not meet both the measurable and available criteria for recognition in the current period. Unearned revenue also arises when resources are received by the Agency and the Loan Corporation before it has legal claim to them. In subsequent periods, when both recognition criteria are met, or when the Agency or the Loan Corporation has legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized. As of December 31, 2016 and 2015, the Agency recognized a liability for unearned revenue in the amount of \$113,837 for both years. Also, as of December 31, 2016 and 2015 the Loan Corporation recognized a liability for unearned revenue in the amount of \$328,525 and \$203,829, respectively.

J. NET POSITION

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation.
- b. Restricted net position - Consists of net position with constraints on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that does not meet the definition of "restricted" or "invested in capital assets."

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

K. REVENUE RECOGNITION

Operating revenue consists of revenue from fees earned on lease-leaseback transactions and management services provided for the Loan Corporation by the Agency, along with interest received from bank accounts, cash in time deposits, and rental property. The Agency earns its fees primarily from lease agreements, which are based on 1% of the total project cost as indicated in the original lease application. Fee income is recorded as revenue when the agreement is finalized, regardless of when the related cash is received.

L. STATEMENT OF CASH FLOWS

For the purposes of the statements of cash flows, the Agency considers all cash and cash equivalents to be unrestricted including demand accounts and certificates of deposit with an original maturity of three months or less.

M. USE OF ESTIMATES IN PREPARATION OF FINANCIAL STATEMENTS

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. This affects the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

N. ACCOUNTING PRONOUNCEMENTS

During the fiscal year ended December 31, 2016, the Agency adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions-an Amendment of GASB Statement No. 27*, Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*; Statement No. 72, *Fair Value Measurement and Application*; Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*; Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*; Statement No. 77, *Tax Abatement Disclosures* Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*; and Statement No. 79, *Certain External Investment Pools and Pool Participants*.

The primary objective of Statement No. 68 and No. 71 is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. These Statements result from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

The primary objective of Statement No. 72 is to define fair value, how fair value is measured, what assets and liabilities should be measured at fair value, and what information about fair value should be reported in the notes to the financial statements.

The primary objective of Statement No. 76 is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP).

The Agency has evaluated Statements No. 73, 77, 78 and 79 and have determined that they have no impact on the Agency's operations.

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The GASB has issued the following new pronouncements:

- Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, which will be effective for the year ending December 31, 2018;
- Statement No. 75, *Accounting and Financial reporting for Postemployment Benefits Other than Pensions*, which will be effective for the year ending December 31, 2018;
- Statement No. 80, *Blending Requirements for Certain Component Units-an amendment of GASB Statement No. 14*, which will be effective for the year ending December 31, 2017;
- Statement No. 81, *Split-Interest Agreements*, which will be effective for the year ending December 31, 2017;
- Statement No. 82, *Pension Issues-an amendment of GASB Statements No. 67, 68 and 73*, which will be effective for the year ending December 31, 2017; and
- Statement No. 83, *Certain Asset Retirement Obligations*, which will be effective for the year ending December 31, 2019.

The Agency is currently reviewing these statements and plans on adoption, as required.

O. SUBSEQUENT EVENTS

These financial statements have not been updated for subsequent events occurring after March 20, 2017 which is the date these financial statements were available to be issued.

NOTE 2. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

A. ASSETS

1. CASH, CASH EQUIVALENTS AND INVESTMENTS

The Agency's investment policies are governed by State statutes. In addition, the Agency has its own written investment policy. Agency monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The Executive Director is authorized to use interest bearing demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, repurchase agreements and obligations of the State of New York and its localities.

Collateral is required for demand deposits and certificates of deposits not covered by federal deposit insurance. 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 school districts.

As of December 31, 2016, the Agency had \$5,595,824 of bank deposits and was considered fully collateralized under FDIC provisions.

Investment and Deposit Policy

The Agency follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conformance with federal, state and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of the Executive Director.

Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. The Agency's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

NOTE 2. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)

Credit Risk

The Agency's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. The Agency's investment and deposit policy authorizes the reporting entity to purchase the following types of investments:

- Interest bearing demand accounts.
- Certificates of deposit.
- Obligations of the United States Treasury and United States agencies.
- Obligations of New York State and its localities.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with the Agency's investment and deposit policy, all deposits of the Agency including interest bearing demand accounts and certificates of deposit, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act (FDIC) shall be secured by a pledge of securities with an aggregate value equal to 100% of the aggregate amount of deposits. The Agency restricts the securities to the following eligible items:

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and United States agencies.
- Obligations issued or fully insured or guaranteed by New York State and its localities.

2. NOTES RECEIVABLE

The Loan Corporation provides low interest notes to businesses located in Wyoming County in order to encourage economic development. Notes receivable consisted of the following at December 31:

		<u>2016</u>	<u>2015</u>
<u>Notes receivable - the Loan Corporation:</u>			
Action Enterprises, Inc.	Monthly installments of principal and interest in the amount of \$1,466 over five years commencing once funding is received from HUD. Annual interest rate of 3.25%. Due to uncertainty of collection, 50% is included in allowance for uncollectible notes.	\$ 150,000	\$ 150,000
ACO Acquisitions, LLC	Monthly installment of principal in the amount of \$2,500 over ten years commencing 7/25/10. Non interest bearing note. This note was previously amended to non-interest bearing with an extended note term, as well as, a stabilization plan which expired in 2012.	187,500	217,500

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

NOTE 2. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)

		<u>2016</u>	<u>2015</u>
	Payments resumed in 2013 and 10% of the outstanding note is included in allowance for uncollectible notes.		
Arcade REHC I, LLC	Annual installments of principal and interest in the amount of \$5,000 commencing 10/03/08 with balloon payment on 9/3/18. Annual interest rate of 1.0%.	\$ 460,000	\$ 465,000
Athletica, Inc.	Monthly installments of principal and interest in the amount of \$2,191 over seven years commencing 2/29/08. Annual interest rate of 6.0%. Loan was paid in full in 2016.	-	6,509
Athletica, Inc. II	Monthly installments of principal and interest in the amount of \$1,006 over five years commencing 3/12/12. Annual interest rate of 5.25%. Loan was paid in full in 2016.	-	15,517
Attica Millworks, Inc.	Monthly installments of principal and interest in the amount of \$2,433 over six years commencing 10/23/10. Annual interest rate of 5.25%. Note entered a stabilization plan during 2012, allowing payments to cease for one year. Payments reconvened in October 2013.	21,427	48,718
Bert Heinrich, Inc.	Monthly installments of principal and interest in the amount of \$248 over eight and a half years amended on 4/23/10. Annual interest rate of 5.5%. Frequency of payments has decreased, therefore 10% of loan is included in allowance for uncollectible notes.	11,862	12,630

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

NOTE 2. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)

		<u>2016</u>	<u>2015</u>
Burly Bros.	Monthly installments of principal and interest in the amount of \$1,608 over ten years, commencing 3/13/13, with a balloon payment due on 3/13/23. Annual interest rate of 5.25%.	\$ 162,752	\$ 173,201
Byrnclyff, Inc.	Monthly installments of principal and interest in the amount of \$1,568 over seven years commencing on 1/28/13. Annual interest rate of 5.25%.	52,705	68,303
Caring Harts Transport, Inc.	Monthly installments of principal and interest in the amount of \$531 over five years commencing on 2/26/10. Annual interest rate of 5.0%. Loan was paid in full in 2016.	-	1,055
Caring Harts Transport, Inc. II	Monthly installments of principal and interest in the amount of \$1,489 over seven years. Annual interest rate of 5.13%.	62,052	76,334
Drasgow, Inc. II	Monthly installments of principal and interest in the amount of \$1,714 over seven years commencing 7/13/10. Annual interest rate of 5.25%.	10,125	29,596
Drasgow, Inc.	Monthly installments of principal in the amount of \$385 over five years commencing 5/24/10. Interest rate of 5.25% was paid at closing.	2,274	6,647
Drasgow, Inc. III	Monthly installments of principal and interest in the amount of \$1,011 over ten years commencing 1/18/13. With a balloon payment in January 2023. Annual interest rate of 5.25%.	131,110	136,210
Hidden Valley Animal Adventure	Monthly installments of principal and interest in the amount of \$2,010 over 15 years commencing 6/12/11. Annual interest rate of 5.25%.	178,870	193,185

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

NOTE 2. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)

		<u>2016</u>	<u>2015</u>
Hillcrest Industries, Inc.	Monthly installments of principal and interest in the amount of \$2,146 over 10 years commencing 3/01/10. Annual interest rate of 5.25%.	\$ 74,974	\$ 96,180
Hillcrest Industries, Inc.	Monthly installment of principal and interest in the amount of \$855 over seven years commencing 5/01/14. Annual interest rate of 5.25%.	39,693	47,642
In-Site Enterprises, LLC	Monthly installments of principal and interest in the amount of \$804 over 15 years commencing 5/04/10. Annual interest rate of 5.25%.	71,057	76,808
James & Tracie Cooley	Due and payable in full at maturity of one year from loan agreement. Annual interest of 3.25%. The Loan Corporation received notice that the entity filed for bankruptcy. Payments were still made during 2016, however the collectability of the remaining balance is highly uncertain. Therefore, 100% of the remaining balance is included in allowance for uncollectible notes.	10,000	50,000
LVM Materials, LLC	Monthly installments of principal and interest in the amount of \$1,206 over ten years commencing on 11/15/12, with a balloon payment in November 2022. Annual interest rate of 5.25%.	119,359	127,334
M&T Trucking, Inc.	Monthly installments of principal and interest in the amount of \$2,414 over ten years commencing 9/30/07. Annual interest rate of 3%.	23,812	49,327

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

NOTE 2. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)

		<u>2016</u>	<u>2015</u>
M&T Trucking, Inc.	Monthly installments of principal in the amount of \$2,083 over ten years commencing 08/01/06. Interest rate of 3% was paid at closing. Loan was paid in full in 2016.	\$ -	\$ 14,584
Marquart Bros, LLC	Monthly installments of principal in the amount of \$4,800 over ten years commencing on 12/31/10. Annual interest rate of 3.0% was paid at closing.	48,000	64,000
McCormick Farms, Inc.	Annual installments of principal in the amount of \$26,000 over ten years commencing 06/01/07. Interest rate of 3% was paid at closing. Loan was paid in full in 2016.	-	26,000
Ray Sciarrino	Monthly installments of principal and interest in the amount of \$506 over fourteen years commencing 9/01/10. Annual interest rate of 4%.	42,237	44,759
Perry NY, LLC	Monthly installments of principal and interest in the amount of \$836 over fifteen years commencing 12/20/07. Annual interest rate of 6.0%.	66,653	67,153
Perry NY, LLC	Monthly installments of principal and interest in the amount of \$674 over 20 years commencing 12/16/10. Annual interest rate of 6.0%.	83,209	83,517
Prestolite Electric	Monthly installments of principal in the amount of \$2,976 over seven years commencing on 11/15/11. Non interest bearing note.	83,334	119,048

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

NOTE 2. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)

		<u>2016</u>	<u>2015</u>
RS Maher & Son, Inc.	Monthly installments of principal and interest in the amount of \$476 over ten years commencing 2/18/11. Interest rate of 3% was paid at closing.	\$ 23,359	\$ 29,080
Sarah Schafer	Monthly installments of principal and interest in the amount of \$528 over seven years commencing 5/08/08. Annual interest rate of 7.0%. Loan was paid in full in 2016.	-	4,558
Schreiberdale Holsteins, LLC	Repayment terms allow interest only payments for up to seven months, commencing 11/7/13, with a pre-payment of principal in the amount of \$100,000. Monthly installments of principal and interest in the amount of \$949 over the remaining five years of the note. Annual interest rate of 5.25%.	25,802	36,350
Silver Lake Brewing Project	12 interest payments of \$503 commencing 1/1/16. Monthly installments of principal and interest in the amount of \$1,234 commencing 1/1/17 for 120 months with an annual Interest rate of 5.25%.	115,000	115,000
Sregnuoy Farms, LLC	Monthly installments of principal in the amount of \$528 over ten years commencing on 7/25/10. Interest rate of 3% was paid at closing.	22,166	28,500
Sun Dor, Inc. CDBG	Monthly installments of principal and interest in the amount of \$556 over ten years commencing 4/08/12. Annual interest rate of 3%.	34,998	41,666

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

NOTE 2. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)

		<u>2016</u>	<u>2015</u>
Toy Storage Inc.	Monthly installments of principal and interest in the amount of \$713 over seven years commencing 9/10/11. Annual interest rate of 5.25%.	\$ 13,617	\$ 21,236
90 Washington Boulevard, LLC	Monthly installment of principal and interest in the amount of \$1,768 over sixty months commencing on 7/13/2016. Annual interest rate of 4.00%.	87,239	-
Village Ink and Fine Arts	Non-interest bearing bridge note that is due in full by 12/10/2017.	7,000	-
Genesee Dance Theatre	Non-interest bearing bridge note that is due in full by 12/10/2017.	7,000	-
Genesee Moloko, LLC	Non-interest bearing bridge note that is due in full by 05/31/2017.	126,250	-
River Spring Lodge	Six monthly interest only payments commencing on 12/23/2016. One hundred twenty monthly installments of principal and interest in the amount of \$1,485 commencing 6/23/2017. Annual interest rate of 4.00%.	200,000	-
Table Rock Farm, LLC	One interest only payment on 12/23/2016. One hundred twenty installments of principal and interest in the amount of \$1,752 commencing on 1/23/2017. Annual interest rate of 1.00%.	200,000	-
		<hr/>	<hr/>
Total notes receivable of the Loan Corporation		2,955,436	2,743,147
Less: allowance for uncollectible notes		<u>104,936</u>	<u>186,263</u>
Loan Corporation notes receivable, net		2,850,500	2,556,884
Less: current maturities		<u>543,233</u>	<u>462,590</u>
Notes receivable - long-term		<u>\$ 2,307,267</u>	<u>\$ 2,094,294</u>

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY**NOTES TO FINANCIAL STATEMENTS**

NOTE 2. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)

The Loan Corporation's policy is to present notes receivable net of an allowance for uncollectible notes. At December 31, 2016 and 2015, the allowance for uncollectible notes was \$104,936 and \$186,263, respectively.

All notes receivable are collateralized by assets of the respective companies.

At December 31, 2016, the notes portfolio consisted of 35 notes that bear interest at rates ranging from 0% to 6% and mature at various dates through May 23, 2027.

Scheduled maturities of principal for these notes for the next five years and thereafter are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 543,233	\$ 81,333
2018	773,314	65,760
2019	290,720	56,042
2020	217,384	48,013
2021	175,865	40,905
2022-2027	<u>954,920</u>	<u>90,600</u>
	<u>\$2,955,436</u>	<u>\$ 382,653</u>

3. WIND FARM RECEIVABLE

In connection with administrative fee agreements on the wind farm projects, the Agency has agreed to accept payment of the fee in equal installments over five years. Upon completion of the project, the Agency recorded fee revenue and receivable for the remaining unpaid balance.

	<u>2016</u>	<u>2015</u>
<u>Wind Projects</u>		
Annual installments:		
Stony Creek	350,374	700,748
Less: current maturities	<u>350,374</u>	<u>350,374</u>
Wind farm receivable - long-term	<u>\$ -</u>	<u>\$ 350,374</u>

The Agency's policy is to present receivables net of an allowance for doubtful accounts. At December 31, 2016 and 2015, the receivables noted above were considered fully collectable.

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

NOTE 2. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS (Continued)

PENSION OBLIGATIONS

New York State and Local Employees' Retirement System (ERS) (the System)

PLAN DESCRIPTION

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

CONTRIBUTIONS

The System is noncontributory except for employees who joined the System after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 (ERS) or January 9, 2010 (PFRS) who generally contribute 3 percent of their salary for their entire length of service. For Tier 6 members, the contribution rate varies from 3 percent to 6 percent depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31.

PENSION LIABILITIES, PENSION EXPENSE, AND DEFERRED OUTFLOWS OF RESOURCES AND DEFERRED INFLOWS OF RESOURCES RELATED TO PENSIONS

Effective January 1, 2016, the Board of Directors elected to become participants in the System. As of the most recent actuary valuation of the System dated March 31, 2016, the Agency was not included in the actuarial valuation of the System's net pension liability, deferred outflows of resources and deferred inflows of resources due to timing of their enrollment in the System. Therefore, as of December 31, 2016, the information required to recognize the Agency's portion of the system's net pension liability, deferred outflows of resources and deferred inflows of resources as required under the provisions of GASB Statement No. 68 was not available from the System.

NOTE 3. LAND HELD FOR INVESTMENT

The Agency has recorded an asset of land that is being held for future development as of the years ended December 31, 2016 and 2015 in the amount of \$206,420 and \$50,000, respectively. This land is held at cost and any gain or loss will be recognized upon sale of the land.

NOTE 4. NET POSITION

The Loan Corporation has received pass-through Micro HUD grant funds from Wyoming County. Under the provisions of the grant, annual program revenue in excess of \$25,000 are restricted to the Micro HUD loan program. Restricted net position associated with this program amounted to \$149,866 at December 31, 2016 and 2015.

The Loan Corporation's policy is to designate all unrestricted net position for the maintenance of the Micro HUD loan program.

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

NOTE 4. NET POSITION (Continued)

The Loan Corporation received pass-through Growing the Agriculture Industry Now (GAIN) grant funds from Genesee/Finger lakes Regional Planning Council in 2016. Under the provisions of the grant, annual revenue is restricted to the GAIN revolving loan program. As of December 31, 2016, no repayments have been required thus no amounts have been reported as restricted net position.

NOTE 5. OUTSTANDING BOND ISSUES

Bonds issued by the Agency are collateralized by the property which is leased to the borrowing company and the bonds are retired by lease payments. The bonds are not an obligation of the Agency, the County of Wyoming or the State of New York. The Agency does not record the assets or liabilities resulting from a completed bond issue in their accounts, since its primary function is to arrange the financing between the borrowing company and the lending bondholders, and the funds arising there from are controlled by a trustee bank.

NOTE 6. LEASES

At December 31, 2016 and 2015, the Agency had entered into various lease agreements. These leases are merely financing arrangements in which the Agency has provided tax incentives or acts only as a financing conduit. Therefore, the Agency does not record these transactions in their financial records.

NOTE 7. RELATED PARTY TRANSACTIONS

During the 2016 fiscal year the Agency moved to a new location in Warsaw, New York, owned by the County. The Agency is required to pay lease payments for the office space per their agreement with the County, which amounted to \$63,074 for the year ended December 31, 2016. Previously, the Agency utilized office space at the County's Perry location rent free and the rental value of that space was not previously reflected in the revenue of expenses of the Agency.

NOTE 8. GRANTS

During the year ended December 31, 2011, the Agency obtained a grant from the NYS Department of Transportation (DOT) to fund the Rail Initiative project in the amount of \$1,300,000, to be funded 85% by DOT, 5% by Wyoming County and 10% by the Agency. The Agency drew down \$293,686 from DOT during the year ended December 31, 2012. During the year ended December 31, 2013 the Rail Initiative project came to a standstill, due to the Village of Attica withdrawing from the project. The Agency has located an acceptable location for the project and is currently working with the engineers on sight designs. As of the fiscal year ending December 31, 2016, the NYS DOT reinstated the funds, however, engineering costs are not considered reimbursable or to be included in Agency costs under the terms of the grant.

SUPPLEMENTAL INFORMATION

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT OF WYOMING COUNTY)

COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2016

	Agency	Loan Corporation	Eliminations	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 2,961,247	\$ 2,017,164	\$ -	\$ 4,978,411
Accounts receivable	-	4,875	-	4,875
Accrued interest receivable	-	2,289	-	2,289
Wind farm receivable	350,374	-	-	350,374
Notes receivable	-	543,233	-	543,233
Prepaid expense	1,066	-	-	1,066
Total current assets	3,312,687	2,567,561	-	5,880,248
Property and equipment:				
Office equipment	9,005	-	-	9,005
Less: accumulated depreciation	8,068	-	-	8,068
Total property and equipment, net	937	-	-	937
Noncurrent assets:				
Investments - certificate of deposit	617,413	-	-	617,413
Notes receivable, net	-	2,307,267	-	2,307,267
Land held for investment	206,420	-	-	206,420
Total noncurrent assets	823,833	2,307,267	-	3,131,100
Total assets	4,137,457	4,874,828	-	9,012,285
LIABILITIES				
Accounts payable	6,962	-	-	6,962
Unearned revenue	113,837	328,525	-	442,362
Total liabilities	120,799	328,525	-	449,324
NET POSITION				
Net investment in capital assets	937	-	-	937
Restricted	-	149,866	-	149,866
Unrestricted	4,015,721	4,396,437	-	8,412,158
Total net position	\$ 4,016,658	\$ 4,546,303	\$ -	\$ 8,562,961

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT OF WYOMING COUNTY)

COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2015

	Agency	Loan Corporation	Eliminations	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 3,099,016	\$ 2,004,410	\$ -	\$ 5,103,426
Accounts receivable	-	4,875	-	4,875
Accrued interest receivable	-	1,546	-	1,546
Wind farm receivable	350,374	-	-	350,374
Notes receivable	-	462,590	-	462,590
Total current assets	3,449,390	2,473,421	-	5,922,811
Property and equipment:				
Office equipment	9,005	-	-	9,005
Less: accumulated depreciation	7,856	-	-	7,856
Total property and equipment, net	1,149	-	-	1,149
Noncurrent assets:				
Investments - certificate of deposit	614,303	-	-	614,303
Wind farm receivable	350,374	-	-	350,374
Notes receivable, net	-	2,094,294	-	2,094,294
Land held for investment	50,000	-	-	50,000
Total noncurrent assets	1,014,677	2,094,294	-	3,108,971
Total assets	4,465,216	4,567,715	-	9,032,931
LIABILITIES				
Unearned revenue	113,837	203,829	-	317,666
Total liabilities	113,837	203,829	-	317,666
NET POSITION				
Net investment in capital assets	1,149	-	-	1,149
Restricted	-	149,866	-	149,866
Unrestricted	4,350,230	4,214,020	-	8,564,250
Total net position	\$ 4,351,379	\$ 4,363,886	\$ -	\$ 8,715,265

**WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT OF WYOMING COUNTY)**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Agency	Loan Corporation	Eliminations	Total
Operating revenues:				
Fees and penalties	\$ 139,624	\$ 3,330	\$ (60,000) (1)	\$ 82,954
Grant revenue	-	79,504	-	79,504
Interest income on notes receivable	-	78,255	-	78,255
Recovery of bad debt	-	91,327	-	91,327
Rental income	2,160	-	-	2,160
Total operating revenues	141,784	252,416	(60,000)	334,200
Operating expenses:				
Administration fee	-	60,000	(60,000) (1)	-
Bad debt expense	-	10,000	-	10,000
Conferences and training	14,759	-	-	14,759
Depreciation	212	-	-	212
Insurance	4,302	-	-	4,302
Lease/rent	63,074	-	-	63,074
Marketing	37,600	-	-	37,600
Meetings and dinners	413	-	-	413
Memberships and publications	4,394	-	-	4,394
Office expense and printing	9,663	-	-	9,663
Professional fees	17,967	-	-	17,967
Professional services	7,172	-	-	7,172
Rail initiative	58,244	-	-	58,244
Salaries and benefits	240,265	-	-	240,265
Strategic plan	29,019	-	-	29,019
Subcontractors	11,003	-	-	11,003
Travel	6,371	-	-	6,371
Total operating expenses	504,458	70,000	(60,000)	514,458
Operating income (loss)	(362,674)	182,416	-	(180,258)
Nonoperating revenues:				
Interest income	27,953	1	-	27,954
Total nonoperating revenues	27,953	1	-	27,954
Change in net position	(334,721)	182,417	-	(152,304)
Net position - beginning of year	4,351,379	4,363,886	-	8,715,265
Net position - end of year	\$ 4,016,658	\$ 4,546,303	\$ -	\$ 8,562,961

(1) This represents the administrative fee paid by the Loan Corporation to the Agency for administrative services performed.

**WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT OF WYOMING COUNTY)**

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Agency	Loan Corporation	Eliminations	Total
Operating revenues:				
Fees and penalties	\$ 142,560	\$ 818	\$ (60,000) (1)	\$ 83,378
Grant revenue	-	123,636	-	123,636
Interest income on notes receivable	-	86,651	-	86,651
Recovery of bad debt	-	21,331	-	21,331
Rental income	2,400	-	-	2,400
Total operating revenues	144,960	232,436	(60,000)	317,396
Operating expenses:				
Administration fee	-	60,000	(60,000) (1)	-
Conferences and training	6,422	-	-	6,422
Depreciation	251	-	-	251
Insurance	4,353	-	-	4,353
Marketing	23,520	-	-	23,520
Meetings and dinners	350	-	-	350
Memberships and publications	4,088	-	-	4,088
Office expense and printing	3,342	-	-	3,342
Professional fees	26,612	-	-	26,612
Professional services	10,749	-	-	10,749
Salaries and benefits	229,181	-	-	229,181
Strategic plan	1,877	-	-	1,877
Subcontractors	10,021	-	-	10,021
Travel	5,879	-	-	5,879
Total operating expenses	326,645	60,000	(60,000)	326,645
Operating income (loss)	(181,685)	172,436	-	(9,249)
Nonoperating revenues:				
Interest income	28,042	10	-	28,052
Total nonoperating revenues	28,042	10	-	28,052
Change in net position	(153,643)	172,446	-	18,803
Net position - beginning of year	4,505,022	4,191,440	-	8,696,462
Net position - end of year	\$ 4,351,379	\$ 4,363,886	\$ -	\$ 8,715,265

(1) This represents the administrative fee paid by the Loan Corporation to the Agency for administrative services performed.

**WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT OF WYOMING COUNTY)**

**COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016**

	Agency	Loan Corporation	Eliminations	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from providing services	\$ 492,158	\$ 207,530	\$ (60,000)	\$ 639,688
Interest income on notes receivable	-	77,512	-	77,512
Repayments of notes receivable	-	423,961	-	423,961
Issuance of notes receivable	-	(636,250)	-	(636,250)
Payments to service providers and suppliers	(258,085)	(60,000)	60,000	(258,085)
Payments for employee services	(240,265)	-	-	(240,265)
Net cash provided (used) by operating activities	(6,192)	12,753	-	6,561
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest income	27,953	1	-	27,954
Purchase of certificate of deposits, net	(3,110)	-	-	(3,110)
Purchase of land held for investment	(156,420)	-	-	(156,420)
Net cash provided (used) by investing activities	(131,577)	1	-	(131,576)
Net increase (decrease) in cash and cash equivalents	(137,769)	12,754	-	(125,015)
Cash and cash equivalents - beginning of year	3,099,016	2,004,410	-	5,103,426
Cash and cash equivalents - end of year	\$ 2,961,247	\$ 2,017,164	\$ -	\$ 4,978,411
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	\$ (362,674)	\$ 182,416	\$ -	\$ (180,258)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	212	-	-	212
Bad debt expense, net of recoveries	-	(81,327)	-	(81,327)
Change in assets and liabilities:				
Decrease (increase) in:				
Accrued interest receivable	-	(743)	-	(743)
Prepaid expense	(1,066)	-	-	(1,066)
Wind farm receivable	350,374	-	-	350,374
Notes receivable	-	(212,289)	-	(212,289)
Increase in:				
Accounts payable	6,962	-	-	6,962
Unearned revenue	-	124,696	-	124,696
Net cash provided (used) by operating activities	(6,192)	12,753	-	6,561

(1) This represents the administrative fee paid by the Loan Corporation to the Agency for administrative services performed.

**WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY
(A COMPONENT UNIT OF WYOMING COUNTY)**

**COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2015**

	<u>Agency</u>	<u>Loan Corporation</u>	<u>Eliminations</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from providing services	\$ 490,147	\$ 17,464	\$ (60,000)	\$ 447,611
Interest income on notes receivable	-	94,022	-	94,022
Repayments of notes receivable	-	526,089	-	526,089
Issuance of notes receivable	-	(165,000)	-	(165,000)
Payments to service providers and suppliers	(97,213)	(60,000)	60,000	(97,213)
Payments for employee services	(229,181)	-	-	(229,181)
Net cash provided by operating activities	<u>163,753</u>	<u>412,575</u>	<u>-</u>	<u>576,328</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest income	28,042	10	-	28,052
Purchase of certificate deposit	(3,342)	-	-	(3,342)
Sale of land held for investment	5,000	-	-	5,000
Net cash provided by investing activities	<u>29,700</u>	<u>10</u>	<u>-</u>	<u>29,710</u>
Net increase in cash and cash equivalents	193,453	412,585	-	606,038
Cash and cash equivalents - beginning of year	<u>2,905,563</u>	<u>1,591,825</u>	<u>-</u>	<u>4,497,388</u>
Cash and cash equivalents - end of year	<u>\$ 3,099,016</u>	<u>\$ 2,004,410</u>	<u>\$ -</u>	<u>\$ 5,103,426</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ (181,685)	\$ 172,436	\$ -	\$ (9,249)
Adjustment to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	251	-	-	251
Bad debt expense, net of recoveries	-	(21,331)	-	(21,331)
Change in assets and liabilities:				
Decrease (increase) in:				
Accounts receivable	16,334	(4,875)	-	11,459
Prepaid expense	350,374	-	-	350,374
Wind farm receivable	-	361,089	-	361,089
Notes receivable	-	7,371	-	7,371
Accrued interest receivable	-	21,521	(21,521)	-
Due from other governments	-	-	-	-
Increase (decrease) in:				
Due to other governments	(21,521)	-	21,521	-
Unearned revenue	-	(123,636)	-	(123,636)
Net cash provided by operating activities	<u>\$ 163,753</u>	<u>\$ 412,575</u>	<u>\$ -</u>	<u>\$ 576,328</u>

(1) This represents the administrative fee paid by the Loan Corporation to the Agency for administrative services performed.

(2) This represents an amount owed by the Agency to the Loan Corporation.

**WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF INDUSTRIAL REVENUE BONDS ISSUED BY THE AGENCY
AS OF DECEMBER 31, 2016**

Name of Project	Olympic Management Systems, Inc
Address of Owner	Six Fountain Plaza, Plaza Level Buffalo, NY 14202
Issue Amount	\$2,871,926
Purpose of Issue	Construction
Date of Issue	1/13/06
Interest Rate	7.87% fixed
Maturity Date	1/1/26

**WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF INDUSTRIAL REVENUE LEASES ISSUED BY THE AGENCY
AS OF DECEMBER 31, 2016**

Name of Project	M&T Truckng
Address of Owner	Mark & Tracie Cole 532 Peoria Road Pavilion, New York 14525
Date of Lease	1/20/2006
Date of Expiration	1/19/2021
Name of Project	Blue Seal Feeds, Inc.
Address of Owner	50 Williams Street Arcade, New York 14009
Date of Lease	2/14/2008
Date of Expiration	2/13/2018
Name of Project	Koike Aronson, Inc. AMENDED
Address of Owner	635 West Main Street Arcade, New York 14009
Date of Lease	2/26/2007 Date Amended 12/23/13
Date of Expiration	2/25/2017 Amended new term 12/22/23
Name of Project	Park Warner, LLC
Address of Owner	7406 Route 98 Arcade, New York 14009
Date of Lease	2/22/2007
Date of Expiration	2/21/2017 Last Year
Name of Project	Noble Bliss Wind Park, LLC
Address of Owner	7294 Centerville Road Bliss, New York 14024
Date of Lease	4/23/2007
Date of Expiration	6/30/2023 (plus 5)
Name of Project	Noble Wethersfield Windpark, LLC
Address of Owner	7294 Centerville Road Bliss, New York 14024
Date of Lease	5/14/2008
Date of Expiration	06/30/2024 (plus 5)
Name of Project	Sheldon Energy, LLC
Address of Owner	One South Wacker Drive, Suite 2020 Chicago, IL 60606
Date of Lease	9/10/2008
Date of Expiration	9/30/2024 (plus 5)
Name of Project	Perry NY, LLC
Address of Owner	Rick Hauser 2 Borden Ave. Perry, NY 14530
Date of Lease	9/20/2007
Date of Expiration	9/19/2017

**WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF INDUSTRIAL REVENUE LEASES ISSUED BY THE AGENCY
AS OF DECEMBER 31, 2016**

Name of Project	Krog Corp/ Arcade REHC 1
Address of Owner	The Krog Corporation 4 Centre Drive Orchard Park, New York 14127
Date of Lease	10/3/2008
Date of Expiration	12/31/2019
Name of Project	WNY Crop Management Association
Address of Owner	5240 Curtis Road Warsaw, New York 14569
Date of Lease	10/15/2008
Date of Expiration	10/15/2018
Name of Project	Crompton Holdings, Inc. -Tranfer Sun Jelly WNY RV, LLC
Address of Owner	27777 Franklin Road South Field, MI 48034
Date of Lease	11/18/2008
Date of Expiration	11/18/2018
Name of Project	Drasgow, Inc.
Address of Owner	Karl Drasgow Varysburg, NY 14167
Date of Lease	12/7/2006
Date of Expiration	12/6/2026 Amendment extension 2/21/2014
Name of Project	CFD Real Estate / Agri Fab & Repair
Address of Owner	7965 Route 63 Pavilion, New York 14525
Date of Lease	2/23/2010
Date of Expiration	2/23/2020
Name of Project	Hidden Valley Animal Adventure, LLC
Address of Owner	2614 Royce Road Varysburg, New York 14157
Date of Lease	1/7/2010
Date of Expiration	1/7/2020
Name of Project	In.Site Enterprises, LLC
Address of Owner	2 Borden Ave. Suite 202 Perry, New York 14530
Date of Lease	2/4/2010
Date of Expiration	2/4/2020
Name of Project	Perry New York LLC - Howell Building
Address of Owner	2 Borden Ave. Suite 202 Perry New York 14530
Date of Lease	4/23/2010
	4/23/2020
Name of Project	Steel & O'Brien Manufacturing, Inc.
Address of Owner	7196 Route 98 Arcade, New York 14009
Date of Lease	1/11/2011
Date of Expiration	1/11/2021

**WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF INDUSTRIAL REVENUE LEASES ISSUED BY THE AGENCY
AS OF DECEMBER 31, 2016**

Name of Project	Noble Wind Operations
Address of Owner	3700 Route 78 Bliss, New York 14024
Date of Lease	3/18/2011
Date of Expiration	2/28/2021
Name of Project	EG & JR Miller (Sedam's)
Address of Owner	3165 Route 246, PO Box 106 Perry, NY 14530
Date of Lease	1/27/2012
Date of Expiration	1/26/2022
Name of Project	Beaver Hollow Wellness, LLC
Address of Owner	1083 Pit Road Java, New York
Date of Lease	9/28/2012
Date of Expiration	9/27/2022
Name of Project	3208 Route 39, LLC (LVM Materials)
Address of Owner	3200 Route 39 Bliss, New York 14024
Date of Lease	8/31/2012
Date of Expiration	8/30/2022
Name of Project	Stony Creek Energy, LLC
Address of Owner	One South Wacker Drive, Suite 1900 Chicago, Illinois 60606
Date of Lease	3/1/2013
Date of Expiration	12/31/2029 (plus 5)
Name of Project	Perry Holding Company, LLC
Address of Owner	3180 Route 246 Perry, New York 14530
Date of Lease	10/1/2013
Date of Expiration	12/31/2025
Name of Project	Maple Grove- Hobin's
Address of Owner	7075 Route 98 Arcade, New York 14009
Date of Lease	12/23/2013
Date of Expiration	12/22/2023
Name of Project	Arcade & Attica Railroad
Address of Owner	278 Main Street Arcade, New York 14009
Date of Lease	2/21/2014
Date of Expiration	4/1/2020

**WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF INDUSTRIAL REVENUE LEASES ISSUED BY THE AGENCY
AS OF DECEMBER 31, 2016**

Name of Project	Paddock Properties, LLC
Address of Owner	440 Commerce Way Warsaw, New York 14569
Date of Lease	3/19/2014
Date of Expiration	3/18/2024
Name of Project	Center Street Business Center, LLC
Address of Owner	36 Center Street Warsaw, New York 14569
Date of Lease	07/16/2014
Date of Expiration	12/31/2031
Name of Project New	CFI Properties, Inc. (Creative Food Ingredients)
Address of Owner	1 Lincoln Ave. Perry, New York 14530
Date of Lease	1/1/2015
Date of Expiration	5/31/2027
Name of Project New	Maple Pro, Inc. (CDL USA)
Address of Owner	3 Lemnah Drive St. Albans, Vermont 05478
Date of Lease	02/01/15
Date of Expiration	05/31/26
Name of Project New	Alpine Acres, LLC (East Hill Creamery)
Address of Owner	5840 Route 20A, Warsaw, New York 14569
Date of Lease	07/01/15
Date of Expiration	05/31/27
Name of Project New	Marquart Realty, LLC
Address of Owner	5195 Route 19 Gainesville, New York 14066
Date of Lease	12/01/16
Date of Expiration	12/31/27

INTERNAL CONTROL AND COMPLIANCE



**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**

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Wyoming County Industrial Development Agency

We have audited, 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, the financial statements of the Wyoming County Industrial Development (the Agency), a component unit of Wyoming County, New York, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Agency's financial statements, and have issued our report thereon dated March 20, 2017.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Freed Maxick CPAs, P.C.

Batavia, New York
March 20, 2017



INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Directors of the
Wyoming County Industrial Development Agency

We have examined Wyoming County Industrial Development Agency (the Agency) compliance with the New York State Comptroller's Investment Guidelines for Public Authorities and Section 2925 of the New York State Public Authorities Law (collectively, the "Investment Guidelines") for the year ended December 31, 2016. Management is responsible for the Agency's compliance with those requirements. Our responsibility is to express an opinion on the Agency's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Agency complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Agency complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Agency complied, in all material respects, with the aforementioned requirements for the year ended December 31, 2016.

This report is intended solely for the information and use of the Board of Directors, management and others within the Agency and the New York State Authorities Budget Office, and is not intended to be and should not be used by anyone other than these specified parties.

Freed Maxick CPAs, P.C.

Batavia, New York
March 20, 2017