

**AUDITED
FINANCIAL STATEMENTS**

**WYOMING COUNTY BUSINESS CENTER,
INC.**

DECEMBER 31, 2015

WYOMING COUNTY BUSINESS CENTER, INC.

CONTENTS

	<u>Page</u>
Independent Auditor's Report	
Financial Statements:	
Statements of Net Position	1
Statements of Revenues, Expenses and Changes in Net Position.....	2
Statements of Cash Flows.....	3
Notes to Financial Statements.....	4-10
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>.....	11-12



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Wyoming County Business Center, Inc.
Perry, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the Wyoming County Business Center, Inc. (the Center), as of and for the years ended December 31, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

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 Center, as of December 31, 2015 and 2014, and the changes in financial position and its cash flows 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 basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2016 on our consideration of the Center'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 Center's internal control over financial reporting and compliance.

Freed Maxick CPAs, P.C.

Batavia, New York
March 7, 2016

WYOMING COUNTY BUSINESS CENTER, INC.

**STATEMENTS OF NET POSITION
DECEMBER 31,**

	<u>2015</u>	<u>2014</u>
ASSETS		
Current assets:		
Cash	\$ 378,476	\$ 267,825
Accounts receivable	1,100	1,100
Accrued interest receivable	809	195
Notes receivable	89,158	123,157
Total current assets	<u>469,543</u>	<u>392,277</u>
Non-current assets:		
Computer equipment	2,524	2,524
Less: accumulated depreciation	<u>(2,524)</u>	<u>(2,428)</u>
Equipment, net	-	96
Notes receivable, net	<u>91,488</u>	<u>155,477</u>
Total assets	<u>561,031</u>	<u>547,850</u>
LIABILITIES		
Accounts payable	893	-
Unearned revenue	<u>37,231</u>	<u>72,630</u>
Total liabilities	<u>38,124</u>	<u>72,630</u>
NET POSITION		
Net investment in capital assets	-	96
Restricted	466,014	321,004
Unrestricted	56,893	154,120
Total net position	<u>\$ 522,907</u>	<u>\$ 475,220</u>

See accompanying notes.

WYOMING COUNTY BUSINESS CENTER, INC.**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31,**

	<u>2015</u>	<u>2014</u>
Operating revenues:		
Wyoming County	\$ 75,000	\$ 75,000
A&A Metal	6,000	2,612
Marketing service income	20,000	-
Interest income on notes receivable	6,079	8,131
Loan program	35,398	42,741
Fast track program income	13,790	17,480
Recovery of bad debt	8,997	9,142
Other income	-	308
Total operating revenues	<u>165,264</u>	<u>155,414</u>
Operating expenses:		
Administrative fees	20,000	20,000
Bad debt expense	15,521	-
Depreciation	96	169
Dues and subscriptions	215	231
Insurance	359	346
Marketing	23,173	210
Office expense	2,865	2,221
Other	-	373
Professional fees	17,662	8,140
Program expenses	16,288	14,981
Project expense	21,443	105,570
Travel	25	23
Total operating expenses	<u>117,647</u>	<u>152,264</u>
Operating income	47,617	3,150
Non-operating revenues:		
Interest revenues	<u>70</u>	<u>160</u>
Change in net position	47,687	3,310
Net position - beginning of year	<u>475,220</u>	<u>471,910</u>
Net position - end of year	<u>\$ 522,907</u>	<u>\$ 475,220</u>

See accompanying notes.

WYOMING COUNTY BUSINESS CENTER, INC.

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

	<u>2015</u>	<u>2014</u>
Cash flows from operating activities:		
Cash received from customers and governmental agencies	\$ 114,789	\$ 95,093
Interest income on notes receivable	5,465	8,841
Issuance of notes	(50,000)	(70,145)
Collections of notes	141,464	104,885
Payments of service providers and suppliers	(101,137)	(190,420)
Other income	-	308
Net cash provided (used) by operating activities	<u>110,581</u>	<u>(51,438)</u>
Cash flows from investing activities:		
Interest revenues	70	160
Net cash provided by investing activities	<u>70</u>	<u>160</u>
Net increase (decrease) in cash	110,651	(51,278)
Cash - beginning of year	<u>267,825</u>	<u>319,103</u>
Cash - end of year	<u>\$ 378,476</u>	<u>\$ 267,825</u>
Reconciliation of income from operations to net cash provided (used) by operating activities:		
Income from operations	\$ 47,617	\$ 3,150
Adjustments to reconcile income from operations to net cash provided (used) by operating activities:		
Depreciation expense	96	169
Bad debt expense, net of recoveries	6,524	(9,142)
Change in assets and liabilities:		
Decrease (increase) in:		
Accrued interest receivable	(614)	710
Loans receivable	91,464	34,741
Increase (decrease) in:		
Accounts payable	893	(38,325)
Unearned revenue	(35,399)	(42,741)
Net cash provided (used) by operating activities	<u>\$ 110,581</u>	<u>\$ (51,438)</u>

See accompanying notes.

WYOMING COUNTY BUSINESS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity: The Wyoming County Business Center, Inc. (the Center) is a New York State Center organized under New York State Not-For-Profit Center and is located in, Perry, New York. The Center is dedicated to economic development services including, business retention and expansion, business attraction marketing, entrepreneurship development, micro lending and other community-based economic development activities.

Basis of Accounting: The Center's financial statements are prepared in conformity with accounting principles generally accepted in the United States 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.

Revenue Recognition: The Center maintains its books and prepares its financial statements on the accrual basis of accounting whereby revenue is recognized as it is earned and expenses are recorded as they are incurred. If expenses are the prime factor for determining when grant income is earned, revenue is accrued when the expense is incurred.

Income Tax: The Center does not believe that it has any uncertain tax positions, and has not recorded any unrecognized tax benefits or liability or penalties or interest.

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

Property and Equipment: Property and equipment is stated at cost. Depreciation has been provided for using the straight-line method over the estimated useful life of the assets. Depreciation expense amounted to \$96 and \$169, respectively, for the years ended December 31, 2015 and 2014.

Unearned Revenue: The Center reports unearned revenue on its statements of net position. Unearned revenue arises when a 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 Center before it has legal claim to them. In subsequent periods, when both recognition criteria are met, or when the Center has legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized. As of December 31, 2015 and 2014, the Center recognized a liability for unearned revenue in the amount of \$37,231 and \$72,630, respectively.

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 - Consists of net positions 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 - All other net positions that do not meet the definition of "restricted" or "net investment in capital assets."

Use of Estimates: In preparation of the 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. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

WYOMING COUNTY BUSINESS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events: These financial statements have not been updated for subsequent events occurring after March 7, 2016 which is the date these financial statements were available to be issued.

NOTE 2. DEPOSITS AND INVESTMENTS

Cash and Investments: The Center's investment policies are governed by State statutes. In addition, the Center has its own written investment policy. Center funds must be deposited in FDIC-insured commercial banks or trust companies located within the State. The Operations 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.

Investment and Deposit Policy:

The Center 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 Operations Director.

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

Credit Risk: The Center'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 Center'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 Center's investment and deposit policy, all deposits of the Center 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 102% of the aggregate amount of deposits. The Center 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.

WYOMING COUNTY BUSINESS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 3. ECONOMIC DEPENDENCY

For the years ending December 31, 2015 and 2014, approximately 45% and 48%, respectively, of the Center's funding is dependent upon Wyoming County. In addition, the Center also receives its office space from Wyoming County; however, the Center does not make any payments to the County for the office space. The value of the office space has not been reflected in the revenue or expenses of the Center for the years ended December 31, 2015 and 2014.

NOTE 4. CONTRACT REVENUE

During the years ended December 31, 2015 and 2014, the Center received \$75,000 from Wyoming County through the Wyoming County Economic Development Services Agreement. In accordance with the agreement the Center is to provide centralized economic development services for the County, serve as the zone administrative entity for Wyoming County Empire Zone, serve as Wyoming County's primary economic development grant and loan conduit, and provide economic development services and financial assistance to businesses within Wyoming County.

Under the Community Development Block Grant program, revenue is to be recognized as principal when the notes receivables are received.

NOTE 5. NOTES RECEIVABLE

The Center provides low interest loans to businesses located in Wyoming County in order to encourage economic development. Loans receivable consisted of the following at December 31,

		<u>2015</u>	<u>2014</u>
About Face Day Spa & Salon	Monthly installment of principal and interest in the amount of \$846 over five years commencing 1/01/11. Annual interest rate of 1.625%.	\$ 2,532	\$ 12,558
Bear Communications, LLC	Monthly installments of principal and interest in the amount of \$427 over three years commencing 3/08/13. Annual interest rate of 1.625%.	2,551	7,591
Cappy's Trucking	Monthly installments of principal and interest in the amount of \$472 over five years commencing 1/01/11. Annual interest rate of 5.0%. Loan was paid in full in 2015.	-	6,401
CSI Tax Service	Monthly installments of principal and Interest in the amount of \$757 over five years commencing 2/01/10. Annual interest rate of 1.625%.	4,684	12,585

WYOMING COUNTY BUSINESS CENTER, INC.**NOTES TO FINANCIAL STATEMENTS****NOTE 5. NOTES RECEIVABLE (Continued)**

		<u>2015</u>	<u>2014</u>
Decisions Catering, LLC	Monthly installments of principal and interest in the amount of \$283 over seven years commencing 12/08/10. Annual interest rate of 5.0%.	\$ 7,204	\$ 10,395
Hellwigs' Son Raised Alpacas, LLC	Monthly installments of principal and interest in the amount of \$282 over five years commencing 12/01/10. Annual interest rate of 5.0%. Note was temporarily making interest only payments due to hardship. Regular payments resumed during 2014.	4,734	7,056
Wolcott Brother's Music	Monthly installments of principal and interest in the amount of \$521 over five years commencing 12/01/10. Annual interest rate of 1.625%. The business experienced a fire during 2012. Due to the uncertainty that the business will continue, this note is fully included in allowance for uncollectible notes.	18,076	18,076
Norse Paddle Company, LLC	Monthly installments of principal and interest in the amount of \$915 over five years commencing 6/01/10. Annual interest rate of 5.0%. Loan was paid in full in 2015.	-	4,520
West's Bookkeeping Services	Monthly installment of principal and interest in the amount of \$260 over five years commencing 4/01/10. Annual interest rate of 1.625%. Loan was paid in full in 2015.	-	1,038
Canaan's Butcher Block	Monthly installment of principal and interest in the amount of \$695 over five years commencing 11/01/11. Annual interest rate of 1.625%. A new agreement and payment terms is currently being discussed with recipient. Due to uncertainty of collection, fifty percent is included in the allowance for uncollectible notes.	23,706	26,537
Swept Away Hair Studio	Monthly installment of principal and interest in the amount of \$244 over five years. The note commenced 11/01/11, however the payment amount was amended in 2014 to the amount noted above. Annual interest rate of 1.625%.	10,410	13,145

WYOMING COUNTY BUSINESS CENTER, INC.**NOTES TO FINANCIAL STATEMENTS****NOTE 5. NOTES RECEIVABLE (Continued)**

		<u>2015</u>	<u>2014</u>
Stang Tek	Amended in 2014 due to an additional advancement of \$20,145. The amended terms include a monthly installment of principal and interest in the amount of \$630 over seven years commencing 08/01/14. Annual interest rate of 1.625%	\$ 40,909	\$ 47,746
Healing Hands Massage & Spa, LLC	Monthly installment of principal and interest in the amount of \$365 over five years commencing 09/01/11. Annual interest rate of 1.625%	3,260	7,545
Twice is Nice Boutique, LLC	Monthly installment of principal and interest in the amount of \$330 over five years commencing 05/01/12. Annual interest rate of 1.625%	6,694	9,376
Silver Trail Outfitters	Monthly installment of principal and interest in the amount of \$436 over five years. The note commenced 10/10/11, however the payment amount was amended in 2014 to the amount noted above. Annual interest rate of 1.625%. Due to uncertainty of collection, fifty percent is included in allowance for uncollectible notes.	31,042	32,219
Shearing's Hoof Trimming, LLC	Monthly installment of principal and interest in the amount of \$636 over six years commencing 10/01/12. Annual interest rate of 5.000%. Loan was paid in full in 2015.	-	26,012
Jacked 24/7, LLC	Monthly installment of principal and Interest in the amount of \$347 over five years commencing 01/01/13. Annual interest rate of 1.625%	8,095	12,128
David's Woodworking, Inc.	Monthly installment of principal and interest in the amount of \$904 over five years commencing 04/07/14. Annual interest rate of 3.25%. Loan was paid in full in 2015.	-	43,007
Country Homes & Interior	This loan was amended during 2012 to be monthly payments of \$150, until the remainder of the loan is paid off, as the business has closed. Annual interest rate of 5%. At this time no allowance was considered necessary.	12,247	14,047

WYOMING COUNTY BUSINESS CENTER, INC.**NOTES TO FINANCIAL STATEMENTS****NOTE 5. NOTES RECEIVABLE (Continued)**

New York Stock Exchange	Monthly installments of principal in the amount of \$216 over 59 months commencing 01/23/09. Non interest bearing note. This business ceased operations and the Center is working with the business to collect the loan. 50% of this note is included in the allowance for uncollectible notes.	\$ 12,704	\$ 12,704
Spotlight Theater of Warsaw	Three monthly interest only payments commencing 3/1/15. Sixty monthly principal and interest installments of \$868.21 commencing 6/1/15. Annual interest rate of 1.625%.	44,374	-
Total notes receivable		<u>233,222</u>	324,686
Less: allowance for uncollectible notes		<u>52,576</u>	<u>46,052</u>
Notes receivable, net		180,646	278,634
Less: current maturities		<u>89,158</u>	<u>123,157</u>
Notes receivable - long-term		<u>\$ 91,488</u>	<u>\$ 155,477</u>

The Center's policy is to present notes receivable net of an allowance for uncollectible notes. At December 31, 2015 and 2014 the allowance for uncollectible notes was \$52,576 and \$46,052, respectively.

At December 31, 2015, the notes portfolio consisted of 16 notes that bear interest at rates ranging from 0% to 5% and mature at various dates through September 8, 2022.

WYOMING COUNTY BUSINESS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. NOTES RECEIVABLE (Continued)

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

<u>Fiscal Year</u>	<u>Principal Maturity</u>	<u>Interest</u>
2016	\$ 89,158	\$ 3,733
2017	42,910	2,000
2018	34,356	1,265
2019	30,700	757
2020	23,101	329
2021-2022	<u>12,997</u>	<u>53</u>
	<u>\$ 233,222</u>	<u>\$ 8,137</u>

NOTE 6. NET POSITION

The Center has received pass-through Micro HUD grant funds from Wyoming County. Under the provisions of the grant, annual program revenues in excess of \$25,000 are restricted to the Micro HUD loan program. Restricted net position amounted to \$466,014 and \$321,004 at December 31, 2015 and 2014, respectively.

The Center is also the pass through recipient of a Community Development Block Grant from Wyoming County. The Board intends to use the program revenues from this grant for the maintenance of a revolving loan program.

The Center's policy is to designate all unrestricted net position for the maintenance of the loan program.



**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 Business Center, Inc.

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 Business Center, Inc. (the Center), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Center's financial statements, and have issued our report thereon dated March 7, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Center'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 Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Center'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*.

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.

Freed Maxick CPAs, P.C.

Batavia, New York
March 7, 2016

WYOMING COUNTY BUSINESS CENTER, INC.
REPORT TO THE BOARD OF DIRECTORS
DECEMBER 31, 2015



March 7, 2016

To the Members of the Board of Directors
Wyoming County Business Center, Inc
6470 20A, Suite 2
Perry, New York 14530

We are pleased to present this report related to our audit of the financial statements of Wyoming County Business Center, Inc. (the Center) for the year ended December 31, 2015. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Center's financial and compliance reporting process.

This report is intended solely for the information and use of the Board of Directors and management and is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this report. We appreciate the opportunity to continue to be of service to the Center.

Very truly yours,

Freed Maxick CPAs, P.C.
Freed Maxick CPAs, P.C.

Contents

Required Communications	1 - 2
Summary of Accounting Estimates	3
Exhibit A – Certain Written Communication Between Management and our Firm	4
Representation Letter	

Required Communications

Generally accepted auditing standards require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area	Comments
Our Responsibilities with regard to the Financial Statement Audit	Our responsibilities under auditing standards generally accepted in the United States of America and <i>Government Auditing Standards</i> issued by the Comptroller General of the United States have been described to you in our arrangement letter dated December 30, 2015. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities which are also described in that letter.
Overview of the Planned Scope and Timing of the Financial Statement Audit	We have issued a separate communication regarding the planned scope and timing of our audit and have discussed with you our identification of and planned audit response to significant risks of material misstatement.
Accounting Policies and Practices	<p>Preferability of Accounting Policies and Practices</p> <p>Under generally accepted principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.</p> <p>Adoption of, or Change in, Accounting Policies</p> <p>Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Center. The Center did not adopt any significant new accounting policies nor have there been any changes in existing significant accounting policies during the current period.</p> <p>Significant or Unusual Transactions</p> <p>We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.</p> <p>Management's Judgments and Accounting Estimates</p> <p>Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached "Summary of Accounting Estimates".</p>
Basis of Accounting	The financial statements were prepared on assumption that the entity will continue as a going concern.

Basis of Accounting

The financial statements were prepared on assumption that the entity will continue as a going concern.

Audit Adjustments

There were no audit adjustments made to the original trial balance presented to us to begin our audit.

Uncorrected Misstatements

There were no uncorrected misstatements noted during our audit.

Disagreements with Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.

Consultations with Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Significant Issues Discussed with Management

No significant issues arising from the audit were discussed or were the subject of correspondence with management.

Significant Difficulties Encountered in Performing the Audit

We did not encounter any significant difficulties in dealing with management during the audit.

Certain Written Communication Between Management and Our Firm

A copy of a certain written communication between our firm and the management of the Loan Corporation is attached as Exhibit A.

**Wyoming County Business Center, Inc.
Summary of Accounting Estimates
Year Ended December 31, 2015**

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. You may wish to monitor throughout the year the process used to compute and record these accounting estimates. The following describes the significant accounting estimates reflected in the Center's December 31, 2015 financial statements:

Area	Accounting Policy	Management's Estimation Process	Basis of our conclusions on Reasonableness of Estimate
Allowance for Uncollectible Notes	Management estimates the collectability of their note portfolio on a note by note basis based on conditions that exist at the time of the audit.	Management reviews note payment history and correspondence with borrowers in evaluating the allowance for uncollectible notes every year.	Management's process to estimate the allowance for uncollectible notes appears reasonable.

**EXHIBIT A - CERTAIN WRITTEN COMMUNICATION BETWEEN MANAGEMENT
AND OUR FIRM**

**WYOMING COUNTY BUSINESS CENTER, INC.
6470 20A, SUITE 2
PERRY, NEW YORK 14530**

March 7, 2016

Freed Maxick CPAs, P.C.
One Evans Street
Batavia, New York 14020

This representation letter is provided in connection with your audit of the basic financial statements of the Wyoming County Business Center, Inc. (the Center), as of and for the years ended December 31, 2015 and 2014 for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

We confirm, to the best of our knowledge and belief, as of the date of the auditor's report:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated December 30, 2015, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for 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.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. There were no related party relationships and transactions.
6. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
8. All significant estimates and material concentrations known to management have been properly recorded and/or disclosed in the financial statements in accordance with U.S. GAAP.
9. There are no unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with Statement of Financial Accounting Standards No.5 and/or GASB Statement No.10.
10. We have no direct or indirect, legal or moral obligation for any debt of any organization, public or private that is not disclosed in the financial statement.
11. We have complied with all aspects of contractual agreements that would have a material effect on the basic financial statements in the event of noncompliance. In connection therewith, we specifically

represent that we are responsible for determining that we are not subject to the requirements of the Single Audit Act and OMB Circular No. A-133, because we have not received, expended, or otherwise been the beneficiary of the required amount of federal awards during the period of this audit.

12. We have no knowledge of any uncorrected misstatements in the financial statements.

Information Provided

13. We have provided you with:

- a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters;
- b. Additional information that you requested from us for the purpose of the audit;
- c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence; and
- d. Minutes of the meetings of the governing board and committees of board members, or summaries of actions of recent meetings for which minutes have not yet been prepared.

14. All transactions have been recorded in the accounting records and are reflected in the financial statements.

15. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.

16. We have no knowledge of allegations of fraud or suspected fraud, affecting the Center's financial statements involving:

- a. Management.
- b. Employees who have significant roles in the internal control.
- c. Others where the fraud could have a material effect on the financial statements.

17. We have no knowledge of any allegations of fraud or suspected fraud affecting the Center's financial statements received in communications from employees, former employees, analysts, regulators, short sellers, or others.

18. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.

19. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.

20. We have disclosed to you the identity of the Center's related parties and all the related-party relationships and transactions of which we are aware, if any.

21. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the Center's ability to record, process, summarize, and report financial data.

22. We are aware of no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.

Compliance Considerations

In connection with your audit, conducted in accordance with *Government Auditing Standards*, we confirm that management:

1. Is responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to the auditee.
2. There have been no instances, that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
3. There have been no instances, that have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
4. There have been no instances that have occurred or are likely to have occurred of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
5. Has a process to track the status of audit findings and recommendations, if applicable.
6. There have been no previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
7. Acknowledges its responsibilities as it relates to nonaudit services performed by the auditor, including all management responsibilities; that we have overseen the services by designating James Pierce, Director, who possesses suitable skill, knowledge, or experience; to evaluate the adequacy and results of the services performed; and to accept responsibility for the results of the services.

During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

Wyoming County Business Center, Inc

James Pierce
Signature
Executive Director
Title

**WYOMING COUNTY BUSINESS CENTER
6470 ROUTE 20A, SUITE 4
PERRY, NEW YORK 14530**

March 7, 2016

Freed Maxick CPAs, P.C.
One Evans Street
Batavia, New York 14020

In connection with your examination of Wyoming County Business Center's (the Center) 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") during the year ended December 31, 2015 in accordance with standards established by the American Institute of Certified Public Accountants, we confirm to the best of our knowledge and belief, the following representations made to you during the course of your engagement:

1. We are responsible for the fair presentation of the Investment Guidelines and the selection of the criteria against which the Investment Guidelines are being evaluated.
2. We are responsible for establishing and maintaining effective internal control over the Center's compliance with the Investment Guidelines.
3. We have performed an evaluation of the Center's compliance with the Investment Guidelines. Based on our evaluation, the Center has complied with the Investment Guidelines during the year ended December 31, 2015 based on the criteria referred to under New York State Comptroller's Investment Guidelines for Public Authorities and Section 2925 of the New York State Public Authorities Law.
4. There has been no known noncompliance with the Investment Guidelines during the year ended December 31, 2015 or through the date of this letter.
5. There are no known communications from regulatory agencies, internal auditors, or other practitioners concerning the Center's possible noncompliance with the Investment Guidelines received by us during the year ended December 31, 2015.
6. We have made available to you all records relevant to the Investment Guidelines.
7. We have made available to you all documentation related to the Center's compliance with the Investment Guidelines.
8. There has been no knowledge of fraud or suspected fraud affecting the entity involving:
 - a. Management,
 - b. Employees who have significant roles in the internal control, or
 - c. Others where fraud could have a material effect on the Investment Guidelines.
9. We acknowledge our responsibility for the design and implementation of programs and controls to provide reasonable assurance that fraud is prevented and detected.
10. We have no knowledge of any allegations of fraud or suspected fraud affecting the Center received in communications from employees, former employees, analysts, regulators, short sellers, or others.
11. We have responded fully to all inquiries made to us by you during your engagement.

12. During the course of your engagement you may have accumulated records containing data which should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

Wyoming County Business Center

James Price
Signature

Executive Director
Title