

**WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY
REPORT TO THE BOARD OF DIRECTORS**

DECEMBER 31, 2015

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March 7, 2016

To the Members of the Board of Directors
Wyoming County Industrial Development Agency
6470 Route 20A, Suite 4
Perry, New York 14530-9796

Members of the Board:

We are pleased to present this report related to our audit of the financial statements of Wyoming County Industrial Development Agency (the Agency) 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 Agency's financial and compliance reporting process.

This report is intended solely for the information and use of the Board of Directors, audit committee 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 Agency.

Very truly yours,

Freed Maxick CPAs, P.C.

Freed Maxick CPAs, P.C.

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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 has 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 Agency. The Agency 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.

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 Agency is attached as Exhibit A.

**Wyoming County Industrial Development Agency
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 Agency's December 31, 2015 financial statements:

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

EXHIBIT A

**CERTAIN WRITTEN COMMUNICATION BETWEEN MANAGEMENT
AND OUR FIRM**

**WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY
6470 ROUTE 20A, SUITE 4
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 Industrial Development Agency (the Agency), 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 are a component unit of Wyoming County, New York as this term is defined in Section 2100 of the Governmental Accounting Standards Board's Codification of Governmental Accounting and Financial Reporting Standards.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. 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.
6. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
7. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustments or disclosure have been adjusted or disclosed.
8. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
9. 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.

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

Information Provided

11. 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.
- 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.

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

13. 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.

14. We have no knowledge of allegations of fraud or suspected fraud, affecting the entity'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.

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

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

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

18. We have disclosed to you the identity of the entity's related parties and all the related-party relationships and transactions of which we are aware.

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

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

Supplementary Information

21. With respect to supplementary information presented in relation to the financial statements as a whole:

- a. We acknowledge our responsibility for the presentation of such information.
- b. We believe such information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America.
- c. The methods of measurement or presentation have not changed from those used in the prior period.

- d. There are no underlying significant assumptions or interpretations regarding the measurement or presentation of such information.
- e. When supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance of the supplementary information and the auditor's report thereon.

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 Industrial Development Agency

James Pierce
Signature

Executive Director
Title

**WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY
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 Industrial Development Agency's (the Agency), as well as the Wyoming County Business Assistance Corporation (the Loan Corporation) since it is a component unit of the Agency, and therefore consolidated with 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") 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 Agency's compliance with the Investment Guidelines. Based on our evaluation, the Agency 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 Agency'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 Agency'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 Agency 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 Industrial Development Agency

James Price
Signature

Executive Director
Title

