AUDITED
FINANCIAL STATEMENTS

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

DECEMBER 31, 2017

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY

CONTENTS

FINANCIAL SECTION

FreedMaxick CPAs, P.C.

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, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the Agency'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 Agency'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 Agency'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, 2017 and 2016, 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

Accounting principles generally accepted in the United States of America require that the schedule of the Agency's proportionate share of net pension liability and the schedule of the Agency's pension contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance

Management has omitted the management's discussion and analysis 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 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 Combining Statements of Net Position, the Combining Statements of Revenues, Expenses and Changes in Net Position and the Combining Statements of Cash Flows are 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 28, 2018 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's 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 28, 2018

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

STATEMENTS OF NET POSITION
DECEMBER 31,

		2017		2016
ASSETS				
Current assets:				
Cash and cash equivalents	$	4,840,251	$	4,978,411
Accounts receivable		36,115		4,875
Grants receivable		57,371		-
Accrued interest receivable		2,482		2,289
Wind farm receivable		-		350,374
Notes receivable, net		602,348		543,233
Prepaid expense		8,446		1,066
Total current assets		5,547,013		5,880,248
Property and equipment:				
Office equipment		9,005		9,005
Less: accumulated depreciation		8,280		8,068
Total property and equipment, net		725		937
Noncurrent assets:				
Investments - certificate of deposit		620,542		617,413
Notes receivable, net		2,066,597		2,307,267
Land held for investment		281,222		206,420
Total noncurrent assets		2,968,361		3,131,100
Total assets		8,516,099		9,012,285
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension outflows		48,076		-
Total deferred outflows of resources		48,076		-
LIABILITIES				
Accounts payable		80,336		6,962
Unearned revenue		564,180		442,362
Due to retirement system		97,572		-
Net pension liability		24,908		-
Total liabilities		766,996		449,324
DEFERRED INFLOWS OF RESOURCES				
Deferred pension inflows		8,747		-
Total deferred inflows of resources		8,747		-
NET POSITION				
Net investment in capital assets		725		937
Restricted		46,792		149,866
Unrestricted		7,740,915		8,412,158
Total net position	$	7,788,432	$	8,562,961

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,

	2017	2016
Operating revenues:		
Fees and penalties	**$ 207,968**	$ 82,954
Grant revenue	**331,882**	79,504
Interest income on notes receivable	**81,756**	78,255
Recovery of bad debt	**2,868**	91,327
Rental income	**2,040**	2,160
Total operating revenues	**626,514**	334,200
Operating expenses:		
Grant expense	**249,500**	-
Bad debt expense	**63,125**	10,000
Conferences and training	**13,297**	14,759
Depreciation	**212**	212
Insurance	**4,598**	4,302
Lease/rent	**72,923**	63,074
Marketing	**49,136**	37,600
Meetings and dinners	**332**	413
Memberships and publications	**4,447**	4,394
Office expense and printing	**7,818**	9,663
Professional fees	**19,305**	17,967
Professional services	**43,990**	7,172
Rail initiative	**341,968**	58,244
Site developent	**200,000**	-
Salaries and benefits	**350,338**	240,265
Strategic plan	**-**	29,019
Subcontractors	**7,664**	11,003
Travel	**5,507**	6,371
Total operating expenses	**1,434,160**	514,458
Operating loss	**(807,646)**	(180,258)
Nonoperating revenues:		
Interest income	**33,117**	27,954
Total nonoperating revenues	**33,117**	27,954
Change in net position	**(774,529)**	(152,304)
Net position - beginning of year	**8,562,961**	8,715,265
Net position - end of year	**$ 7,788,432**	$ 8,562,961

See accompanying notes.

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

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from providing services	**$ 988,596**	$ 639,688
Interest income on notes receivable	**81,563**	77,512
Repayments of notes receivable	**483,298**	423,961
Issuance of notes receivable	**(362,000)**	(636,250)
Payments to service providers and suppliers	**(1,017,616)**	(258,085)
Payments for employee services	**(267,187)**	(240,265)
Net cash provided (used) by operating activities	**(93,346)**	6,561
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	**33,117**	27,954
Purchase of certificate of deposit	**(3,129)**	(3,110)
Purchase of land held for investment	**(74,802)**	(156,420)
Net cash used by investing activities	**(44,814)**	(131,576)
Net decrease in cash and cash equivalents	**(138,160)**	(125,015)
Cash and cash equivalents - beginning of year	**4,978,411**	5,103,426
Cash and cash equivalents - end of year	**$ 4,840,251**	$ 4,978,411
Reconciliation of operating loss to net cash provided (used) by operating activities:		
Operating loss	**$ (807,646)**	$ (180,258)
Adjustment to reconcile operating loss to net cash provided (used) by operating activities:		
Depreciation expense	**212**	212
Bad debt expense, net of recoveries	**60,257**	(81,327)
Pension expense	**(14,421)**	-
Change in assets and liabilities:		
Decrease (increase) in:		
Accounts receivable	**(88,611)**	-
Accrued interest receivable	**(193)**	(743)
Prepaid expense	**(7,380)**	(1,066)
Wind farm receivable	**350,374**	350,374
Notes receivable	**121,298**	(212,289)
Increase (decrease) in:		
Accounts payable	**73,374**	6,962
Unearned revenue	**121,818**	124,696
Due to retirement system	**97,572**	-
Net cash provided (used) by operating activities	**$ (93,346)**	$ 6,561

See accompanying notes.

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 distinguishes operating revenues and expenses from nonoperating items. Revenues from grants, interest on loans, and administrative fees are reported as operating revenues. All expenses related to operating the Agency are reported as expenses.

When both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first, then unrestricted resources, as they are needed.

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, includes 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.

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. RECEIVABLES

Receivables 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 management's analysis of the potential collectability of the individual notes. Notes are written off when, in management's judgment, no legal recourse is available to collect the amount owed.

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, 2017 and 2016 depreciation expense amounted to $212 and $212, 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 exceeded commercial insurance coverage for the past three fiscal years.

I. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Agency has one item that qualifies for reporting in this category. This item is related to pensions and is reported in the Statement of Net Position. It represents the effect of the net change in the Agency's proportion of the collective net pension liability and the difference during the measurement period between the Agency's contributions and its proportional share of total contributions to the pension system not included in pension expense. Also included are the Agency's contributions to the pension system subsequent to the measurement date. See details of deferred pension outflows in Note 2.B.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Agency has one item that qualifies for reporting in this category. This item is related to pensions and is reported in the Statement of Net Position. It represents the effect of the net change in the Agency's proportion of the collective net pension liability and difference during the measurement periods between the Agency's contributions and its proportional share of total contributions to the pension system not included in pensions expense. See details of deferred pension inflows in Note 2.B

J. 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, 2017 and 2016, the Agency recognized a liability for unearned revenue in the amount of $113,837, respectively. As of December 31, 2017 and 2016 the Loan Corporation recognized a liability for unearned revenue in the amount of $450,343 and $328,525, respectively.

K. 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."

L. 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, 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.

M. STATEMENT OF CASH FLOWS

For the purposes of the statements of cash flows, the Agency and Loan Corporation 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.

N. 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, liabilities deferred outflow/inflow of resources 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.

O. ACCOUNTING PRONOUNCEMENTS

During the fiscal year ended December 31, 2017, the Agency adopted the provisions of Governmental Accounting Standards Board Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and 68;* Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*; Statement No. 80, *Blending Requirements for Certain Component Units-an amendment of GASB* Statement No. 14; Statement No. 81, *Split-Interest Agreements*; *and* Statement No. 82 *Pension Issues-an amendment of GASB Statements No. 67, 68 and 73.*

The primary objective of Statement No. 73 is to improve the usefulness of information about pensions included in the financial statements that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions.

The primary objective of Statement No. 74 is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.

The primary objective of Statement No. 80 is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units.

The primary objective of Statement No. 81 is to improve accounting and financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement.

The primary objective of Statement No. 82 is to address certain issues that have been raised with respect to Statements No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions,* and 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.*

The Agency has evaluated Statements No. 73, 74, 80 and 81 and have determined that they have no impact on the Agency's operations.

<u>The GASB has issued the following new pronouncements:</u>

- 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. 83, *Certain Asset Retirement Obligations,* which will be effective for the year ending December 31, 2019;
- Statement No. 84, *Fiduciary Activities*, which will be effective for the year ending December 31, 2019;
- Statement No. 85, *Omnibus*, which will be effective for the year ending December 31, 2018;
- Statement No. 86, *Certain Debt Extinguishment Issues*, which will be effective for the year ending December 31, 2018; and
- Statement No. 87, *Leases*, which will be effective for the year ending December 31, 2020.

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

NOTE 2. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

A. ASSETS

1. CASH 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, 2017, the Agency had $5,460,793 of bank deposits and was considered fully collaterized.

<u>Investment and Deposit Policy</u>
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.

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. WYOMING COUNTY AND OTHER GRANTS

Wyoming County and other grant revenue consists of the following for the year ended December 31.

	2017	2016
Rural Arts Initiative	**$ 200,000**	$ -
Rural Arts Marketing Program	**49,500**	-
Growing the Agricultural Industry Now! (GAIN) Revolving Loan Program	**47,661**	4,200
Other	**34,721**	75,304
	$ 331,882	$ 79,504

Grants receivable consist of the following at December 31.

	2017	2016
Rural Art Initiative	**$ 57,371**	$ -

3. NOTES RECEIVABLE

The Agency 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:

		2017	2016
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. Payments resumed in 2013 and 10% of the outstanding note is included in allowance for uncollectible notes.	**160,000**	187,500
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%.	**455,000**	460,000
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%. Loan was paid in full in 2017.	**-**	21,427
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%. Due to inconsistency of timely payments, 10% of the loan is included in allowance for uncollectible notes.	**10,684**	11,862

		2017	2016
Burly Bros.	Monthly installments of principal and interest in the amount of $1,608 over ten years, commencing 3/13/13, with a balloon payment due on 3/13/23. Annual interest rate of 5.25%.	**$ 151,741**	$ 162,752
Byrncliff, 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%.	**36,268**	52,705
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%.	**47,019**	62,052
DBA Enesmith Art/E'rouse	Non-interest bearing grant anticipation note issued in the amount of $15,000 and funded under the Loan Corporation's grant from the Housing Trust Fund Corporation.	**438**	-
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%. Loan was paid in full in 2017.	**-**	10,125
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. Loan was paid in full in 2017.	**-**	2,274
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%.	**125,736**	131,110
Ester Doyle	Non-interest bearing grant anticipation note issued in the amount of $11,200 and funded under the Loan Corporation's grant from the Housing Trust Fund Corporation.	**7,944**	-

		2017	2016
Genesee Dance Theatre	Non-interest bearing grant anticipation note issued in the Amount of $10,000 and funded under the Loan Corporation's Grant for the Housing Trust Fund Corporation.	**$ 2,600**	$ 7,000
Genesee Moloko, LLC	Non-interest bearing bridge note that was due in full by 05/31/2017. In 2017, the borrower's business operations ended and no payments were made. Therefore 50% of the loan is included in allowance for uncollectible notes.	**126,250**	126,250
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%.	**160,814**	178,870
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%.	**52,628**	74,974
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%.	**31,316**	39,693
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%.	**64,996**	71,057
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**	10,000
Jamieson Riling	Non-interest bearing grant anticipation note issued in the amount of $12,000 and funded under the Loan Corporation's Grant from the Housing Trust Fund Corporation.	**12,000**	-

		2017	2016
Joshua Rice	Non-interest bearing grant anticipation note issued in the amount of $22,000 and funded under the Loan Corporation's Grant from the Housing Trust Fund Corporation.	**$ 14,556**	$ -
Junk and Disorderly Art & Antiques	Non-interest bearing grant anticipation note issued in the amount of $5,000 and funded under the Loan Corporation's Grant from the Housing Trust Fund Corporation.	**5,000**	-
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%.	**110,955**	119,359
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%. Loan was paid in full in 2017.	**-**	23,812
Madison Stellecht	Non-interest bearing grant anticipation note issued in the amount of $10,000 and funded under the Loan Corporation's Grant from the Housing Trust Fund Corporation.	**10,000**	-
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.	**32,000**	48,000
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%.	**60,985**	66,653
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%.	**79,725**	83,209

		2017	2016
Pit's Pots	Non-interest bearing grant anticipation note issued in the amount of $15,000 and funded under the Loan Corporation's grant from the Housing Trust Fund Corporation.	**$ 10,114**	$ -
Prestolite Electric	Monthly installments of principal in the amount of $2,976 over seven years commencing on 11/15/11. Non-interest bearing note.	**47,619**	83,334
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%.	**39,281**	42,237
Robert Doyle Photography	Non-interest bearing grant anticipation note issued in the amount of $11,200 and funded under the Loan Corporation's grant from the Housing Trust Fund Corporation	**1,200**	-
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.	**17,639**	23,359
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%.	**16,397**	25,802
Silver Lake Brewing Project	12 interest only 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%.	**109,817**	115,000

		2017	2016
Sregnuoy Farms, LLC	Monthly installments of principal in the amount of $528 over ten years commencing on 7/25/10. Interest rate of 3% was paid at closing.	**$ 15,833**	$ 22,166
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%.	**28,333**	34,998
Synergy Genetics, LLC	Monthly installments of principal and interest in the amount of $2,863 over 6 years commencing 4/20/17. Annual interest rate of 1.00%	**175,651**	**-**
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%.	**5,590**	13,617
SW Designs, LLC	Non-interest bearing grant anticipation note issued in the amount of $10,000 and funded under the Loan Corporation's grant from the Housing Trust Fund Corporation.	**2,520**	**-**
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%.	**69,184**	87,239i
Village Ink and Fine Arts	Non-interest bearing grant anticipation note issued in the amount of $11,200 and funded under the Loan Corporation's grant from the Housing Trust Fund Corporation.	**1,200**	7,000
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%.	**194,217**	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%.	**180,888**	200,000

	2017	2016
Total notes receivable	**2,834,138**	2,955,436
Less: allowance for uncollectible notes	**165,193**	104,936
Notes receivable, net	**2,668,945**	2,850,500
Less: current maturities	**602,348**	543,233
Notes receivable - long-term	**$ 2,066,597**	$ 2,307,267

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

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

Fiscal Year	Principal	Interest
2018	$ 602,348	$ 74,162
2019	773,800	56,684
2020	250,796	48,876
2021	209,613	41,514
2022	418,603	35,594
2023-2027	578,978	55,291
	$2,834,138	$ 312,121

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. As of December 31, 2017 the balance of the fees have been collected in full.

	2017	2016
Wind Projects		
Annual installments:		
Stony Creek	**$ -**	$ 350,374

B. PENSION OBLIGATIONS

New York State and Local Employees' Retirement System (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.

FUNDING POLICY

The System is noncontributory, except for employees who joined after July 27, 1976 who contribute three percent (3%) of their salary for the first ten years of membership, and employees who joined on or after January 10, 2010, who generally contribute three percent (3%) to three and one half percent (3.5%) of their salary for their entire length of service. In addition, employee contribution rates under Tier VI vary based on a sliding salary scale. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the system's fiscal year ending March 31st.

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

At December 31, 2017, the Agency reported the following liability for its proportionate share of the net pension liability to the System. The net pension liability was measured as of March 31, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2016. The Agency's proportion of the net pension liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS System in reports provided to the Agency.

	ERS
Measurement date	March 31, 2017
Net pension liability	$ 24,908
Agency's portion of the Plan's total net pension liability	0.0002651%

The Agency elected to participate in the System effective January 1, 2016. Because employees of the Agency were members of the System prior to joining the Agency, the System has assessed a liability against the Agency for prior service under the System. The amount due to the System for prior service is $97,572 at December 31, 2017. The Agency intends to pay this liability in the next year to avoid paying interest on the liability.

For the year ended December 31, 2017, the Agency recognized a pension expense of $109,555, including the liability for past service. At December 31, 2017 the Agency's reported deferred outflows of resources and deferred inflows of resources related to pensions arose from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 624	$ 3,782
Changes of assumptions	8,509	-
Net difference between projected and actual earnings on pension plan investments	4,975	-
Changes in proportion and differences between the Agency's contributions and proportionate share of contributions	8,630	4,965
Agency's contributions subsequent to the measurement date	25,338	-
Total	$ 48,076	$ 8,747

Agency contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended:	
2018	$ 5,627
2019	5,627
2020	5,166
2021	(2,429)
2022	-
Thereafter	-

ACTUARIAL ASSUMPTIONS

The total pension liability as of the March 31, 2017 was determined by using an actuarial valuation as of April 1, 2016, with update procedures used to roll forward the total pension liability to March 31, 2017. The actuarial valuation used the following actuarial assumptions:

Inflation	2.5%
Salary increases	3.8
Investment rate of return (net of investment expense, including inflation)	7.0
Cost of living adjustments	1.3
Decrement tables	April 1, 2010 - March 2015

Annuitant mortality rates are based on April 1, 2010 – March 31, 2015 System's experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2014. The actuarial assumptions used in the April 1, 2016 valuation are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2017 are summarized below:

Asset Class:	Target Asset Allocation	Long-Term Expected Real Rate of Return
Domestic equity	36.0%	4.6%
International equity	14.0	6.4
Private equity	10.0	7.8
Real estate	10.0	5.8
Absolute return strategies	2.0	4.0
Opportunistic portfolio	3.0	5.9
Real assets	3.0	5.5
Bond and mortgages	17.0	1.3
Cash	1.0	(0.3)
Inflation-indexed bonds	4.0	1.5
Total	100.0%	

DISCOUNT RATE
The discount rate used to calculate the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

SENSITIVITY OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY TO THE DISCOUNT RATE ASSUMPTION
The following tables present the Agency's proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the Agency's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.0%) or 1-percentage point higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
Agency's proportionate share of the net pension liability (asset)	$ 79,551	$ 24,908	($ 21,293)

PENSION PLAN FIDUCIARY NET POSITION
The components of the current-year net pension liability of the employers as of March 31, 2017 were as follows:

	(Dollars in Thousands)
Employers' total pension liability	$ 177,400,586
Plan net position	168,004,363
Employers' net pension total	$ 9,396,223
Ratio of Plan net position to the Employers' total pension liability	94.7%

PREPAIDS TO THE PENSION PLAN
Employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Prepaid retirement contributions as of December 31, 2017 represents the Agency's contribution for the period of January 1, 2018 through March 31, 2018 based on the March 31, 2018 System bill paid prior to December 31, 2017. Prepaid retirement contributions as of December 31, 2017 amounted to $8,446.

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, 2017 and 2016 in the amount of $281,222 and $206,420, respectively. This land is held at cost and any gain or loss will be recognized upon sale of the land.

NOTE 4. NET POSITION

During the current year, management re-evaluated CDBG Regulations 24 CFR 570.489(e)(2)(ii), which is the regulatory citation over the Loan Corporation's Micro HUD loan program, concluding that the funds are de-federalized and are available for use as unrestricted funds once the initial loan proceeds have been paid.

Unrestricted net assets for the Loan Corporation represents amounts designated by the Corporation's Board for the maintenance of a revolving loan program.

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. Repayments to date amounted to $46,792, which have therefore been reported as restricted net position as of December 31, 2017.

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, 2017 and 2016, 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 $72,923 and $63,074 for the year ended December 31, 2017 and 2016, respectively. 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, 2017, 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.

NOTE 9. SUBSEQUENT EVENTS

These financial statements have not been updated for subsequent events occurring after March 28, 2018 which is the date these financial statements were available to be issued.

REQUIRED SUPPLEMENTAL INFORMATION

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

SCHEDULE OF THE AGENCY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - EMPLOYEES' RETIREMENT SYSTEM FOR THE YEAR ENDED DECEMBER 31,

		2017
Employees' Retirement System (ERS)		
Measurement date		March 31, 2017
Agency's proportion of the net pension liability		0.000265%
Agency's proportionate share of the net pension liability	$	24,908
Agency's covered-employee payroll	$	195,979
Agency's proportionate share of the net pension liability as a percentage of its covered-employee payroll		12.7%
Plan fiduciary net position as a percentage of the total pension liability		94.7%

Note - The Agency became a member of the Employees' Retirement System effective January 1, 2016. Information for the Agency for the year ended December 31, 2016 was not provided by the System.

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

SCHEDULE OF THE AGENCY'S CONTRIBUTIONS - EMPLOYEES' RETIREMENT SYSTEM
FOR THE YEAR ENDED DECEMBER 31,

EMPLOYEES' RETIREMENT SYSTEM	2016	2017
Contractually required contribution	$ 4,264	$ 33,784
Contributions in relation to the contractually required contribution	4,264	33,784
Contribution deficiency (excess)	$ -	$ -
Agency's covered-employee payroll	$ 193,183	$ 195,979
Conributions as a percentage of covered-employee payroll	2%	17%

Note - The Agency became a member of the Employees' Retirement System effective January 1, 2016.

SUPPLEMENTAL INFORMATION

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

COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2017

	Agency	Loan Corporation	Eliminations	Total
ASSETS				
Current assets:				
Cash and cash equivalents	$ 2,485,268	$ 2,354,983	$ -	$ 4,840,251
Accounts receivable	31,240	4,875	-	36,115
Grants receivable	-	57,371	-	57,371
Accrued interest receivable	-	2,482	-	2,482
Notes receivable	-	602,348	-	602,348
Prepaid expense	8,446	-	-	8,446
Total current assets	2,524,954	3,022,059	-	5,547,013
Property and equipment:				
Office equipment	9,005	-	-	9,005
Less: accumulated depreciation	8,280	-	-	8,280
Total property and equipment, net	725	-	-	725
Noncurrent assets:				
Investments - certificate of deposit	620,542	-	-	620,542
Notes receivable, net	-	2,066,597	-	2,066,597
Land held for investment	281,222	-	-	281,222
Total noncurrent assets	901,764	2,066,597	-	2,968,361
Total assets	3,427,443	5,088,656	-	8,516,099
DEFERRED OUTFLOWS OF RESOURCES				
Deferred pension outflows	48,076	-	-	48,076
Total deferred outflows of resources	48,076	-	-	48,076
LIABILITIES				
Accounts payable	141	80,195	-	80,336
Unearned revenue	113,837	450,343	-	564,180
Due to retirement system	97,572	-		97,572
Net pension liability	24,908	-	-	24,908
Total liabilities	236,458	530,538	-	766,996
DEFERRED INFLOWS OF RESOURCES				
Deferred pension inflows	8,747	-	-	8,747
Total deferred inflows of resources	8,747	-	-	8,747
NET POSITION				
Net investment in capital assets	725	-	-	725
Restricted	-	46,792	-	46,792
Unrestricted	3,229,589	4,511,326	-	7,740,915
Total net position	$ 3,230,314	$ 4,558,118	$ -	$ 7,788,432

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 REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2017

	Agency	Loan Corporation	Eliminations	Total
Operating revenues:				
Fees and penalties	$ 267,768	$ 200	$ (60,000) (1)	$ 207,968
Grant revenue	-	331,882	-	331,882
Interest income on notes receivable	-	81,756	-	81,756
Recovery of bad debt	-	2,868	-	2,868
Rental income	2,040	-	-	2,040
Total operating revenues	269,808	416,706	(60,000)	626,514
Operating expenses:				
Administration fee	-	60,000	(60,000) (1)	-
Grant expense	-	249,500	-	249,500
Bad debt expense	-	63,125	-	63,125
Conferences and training	13,297	-	-	13,297
Depreciation	212	-	-	212
Insurance	4,598	-	-	4,598
Lease/rent	72,923	-	-	72,923
Marketing	49,136	-	-	49,136
Meetings and dinners	332	-	-	332
Memberships and publications	4,447	-	-	4,447
Office expense and printing	7,818	-	-	7,818
Professional fees	19,305	-	-	19,305
Professional services	3,988	40,002	-	43,990
Rail initiative	341,968	-	-	341,968
Site developent	200,000	-	-	200,000
Salaries and benefits	350,338	-	-	350,338
Subcontractors	7,664	-	-	7,664
Travel	5,507	-	-	5,507
Total operating expenses	1,081,533	412,627	(60,000)	1,434,160
Operating income (loss)	(811,725)	4,079	-	(807,646)
Nonoperating revenues:				
Interest income	25,381	7,736	-	33,117
Total nonoperating revenues	25,381	7,736	-	33,117
Change in net position	(786,344)	11,815	-	(774,529)
Net position - beginning of year	4,016,658	4,546,303	-	8,562,961
Net position - end of year	$ 3,230,314	$ 4,558,118	$ -	$ 7,788,432

(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, 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 CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2017

	Agency	Loan Corporation	Eliminations	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from providing services	$ 588,942	$ 459,654	$ (60,000) (1)	$ 988,596
Interest income on notes receivable	-	81,563	-	81,563
Repayments of notes receivable	-	483,298	-	483,298
Issuance of notes receivable	-	(362,000)	-	(362,000)
Payments to service providers and suppliers	(745,184)	(332,432)	60,000 (1)	(1,017,616)
Payments for employee services	(267,187)	-	-	(267,187)
Net cash provided (used) by operating activities	(423,429)	330,083	-	(93,346)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest income	25,381	7,736	-	33,117
Purchase of certificate of deposits, net	(3,129)	-	-	(3,129)
Purchase of land held for investment	(74,802)	-	-	(74,802)
Net cash provided (used) by investing activities	(52,550)	7,736	-	(44,814)
Net increase (decrease) in cash and cash equivalents	(475,979)	337,819	-	(138,160)
Cash and cash equivalents - beginning of year	2,961,247	2,017,164	-	4,978,411
Cash and cash equivalents - end of year	$ 2,485,268	$ 2,354,983	$ -	$ 4,840,251
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	$ (811,725)	$ 4,079	$ -	$ (807,646)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:				
Depreciation expense	212	-	-	212
Bad debt expense, net of recoveries	-	60,257	-	60,257
Pension expense	(14,421)	-	-	(14,421)
Change in assets and liabilities:				
Decrease (increase) in:				
Accounts receivable	(31,240)	(57,371)	-	(88,611)
Accrued interest receivable	-	(193)	-	(193)
Prepaid expense	(7,380)	-	-	(7,380)
Wind farm receivable	350,374	-	-	350,374
Notes receivable	-	121,298	-	121,298
Increase (decrease) in:				
Accounts payable	(6,821)	80,195	-	73,374
Unearned revenue	-	121,818	-	121,818
Due to retirement system	97,572	-	-	97,572
Net cash provided (used) by operating activities	$ (423,429)	$ 330,083	$ -	$ (93,346)

(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) (1)	$ 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 (1)	(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 deposit	(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 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 (decrease) 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.

INTERNAL CONTROL AND COMPLIANCE

FreedMaxick CPAs, P.C.

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, 2017, and the related notes to the financial statements, which collectively comprise the Agency's financial statements, and have issued our report thereon dated March 28, 2018.

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 28, 2018