

**AUDITED
FINANCIAL STATEMENTS**

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

DECEMBER 31, 2015

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY

CONTENTS

	<u>Page</u>
 <u>SECTION A</u> <u>FINANCIAL SECTION</u> 	
Independent Auditor's Report	
Financial Statements:	
Statements of Net Position	A1
Statements of Revenues, Expenses and Changes in Net Position	A2
Statements of Cash Flows	A3
Notes to Financial Statements	A4-A16
Supplemental Information:	
Combining Statements of Net Position	A17-A18
Combining Statements of Revenues, Expenses and Changes in Net Position	A19-A20
Combining Statements of Cash Flows	A21-A23
Schedule of Industrial Revenue Bonds Issued by the Agency	A24
Schedule of Industrial Revenue Leases Issued by the Agency	A25-A30
 <u>SECTION B</u> <u>INTERNAL CONTROL AND COMPLIANCE</u> 	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	B1-B2

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, 2015 and 2014, and the related notes to the financial statements, which collectively comprise the Agency's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Agency, as of December 31, 2015 and 2014, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplemental Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Agency's financial statements. The supplemental information, as listed in the table of contents, 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 were 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 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 7, 2016 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Freed Maxick CPAs, P.C.

Batavia, New York
March 7, 2016

SECTION A
FINANCIAL SECTION

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

**STATEMENTS OF NET POSITION
DECEMBER 31,**

	2015	2014
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 5,103,426	\$ 4,698,388
Accounts receivable	4,875	16,334
Accrued interest receivable	1,546	8,917
Wind farm receivable	350,374	350,374
Notes receivable, net	462,590	460,619
Total current assets	<u>5,922,811</u>	<u>5,534,632</u>
Property and equipment:		
Office equipment	9,005	9,005
Less: accumulated depreciation	7,856	7,605
Total property and equipment, net	<u>1,149</u>	<u>1,400</u>
Noncurrent assets:		
Investments - certificate of deposit	614,303	409,961
Wind farm receivable	350,374	700,748
Notes receivable, net	2,094,294	2,436,023
Land held for investment	50,000	55,000
Total noncurrent assets	<u>3,108,971</u>	<u>3,601,732</u>
Total assets	<u>9,032,931</u>	<u>9,137,764</u>
LIABILITIES		
Unearned revenue	317,666	441,302
Total liabilities	<u>317,666</u>	<u>441,302</u>
NET POSITION		
Net investment in capital assets	1,149	1,400
Restricted	149,866	149,866
Unrestricted	8,564,250	8,545,196
Total net position	<u>\$ 8,715,265</u>	<u>\$ 8,696,462</u>

See accompanying notes.

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

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

	2015	2014
Operating revenues:		
Fees and penalties	\$ 83,378	\$ 88,344
Grant revenue	123,636	171,648
Interest income on notes receivable	86,651	102,386
Rental income	2,400	2,280
Recovery of bad debt	21,331	-
Miscellaneous	-	30
Total operating revenues	<u>317,396</u>	<u>364,688</u>
Operating expenses:		
Bad debt expense	-	8,582
Conferences and training	6,422	1,445
Depreciation	251	1,040
Insurance	4,353	3,805
Marketing	23,520	2,049
Meetings and dinners	2,227	404
Memberships and publications	4,088	3,693
Office expense and printing	3,342	3,705
Professional fees	26,612	17,265
Professional services	10,749	12,110
Salaries and benefits	229,181	207,780
Subcontractors	10,021	4,551
Travel	5,879	3,198
Total operating expenses	<u>326,645</u>	<u>269,627</u>
Operating income (loss)	(9,249)	95,061
Nonoperating revenues:		
Interest income	<u>28,052</u>	<u>25,202</u>
Total nonoperating revenues	<u>28,052</u>	<u>25,202</u>
Change in net position	18,803	120,263
Net position - beginning of year	<u>8,696,462</u>	<u>8,576,199</u>
Net position - end of year	<u>\$ 8,715,265</u>	<u>\$ 8,696,462</u>

See accompanying notes.

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

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

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from providing services	\$ 447,611	\$ 605,568
Interest income on notes receivable	94,022	101,731
Repayments of notes receivable	526,089	504,891
Issuance of notes receivable	(165,000)	-
Payments of service providers and suppliers	(97,213)	(82,225)
Payments for employee services	(229,181)	(208,160)
Net cash provided by operating activities	<u>576,328</u>	<u>921,805</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest income	28,052	25,202
Purchase of certificate of deposit	(3,342)	(2,172)
Purchase of land held for investment	5,000	-
Net cash provided by investing activities	<u>29,710</u>	<u>23,030</u>
Net increase in cash and cash equivalents	606,038	944,835
Cash and cash equivalents - beginning of year	<u>4,497,388</u>	<u>3,753,553</u>
Cash and cash equivalents - end of year	\$ <u>5,103,426</u>	\$ <u>4,698,388</u>
Reconciliation of income (loss) from operations to net cash provided by operating activities:		
Income from operations	\$ (9,249)	\$ 95,061
Adjustment to reconcile income from operations to net cash provided by operating activities:		
Depreciation expense	251	1,040
Bad debt expense, net of recoveries	(21,331)	8,582
Change in assets and liabilities:		
Decrease (increase) in:		
Accounts receivable	11,459	13,906
Notes receivable	361,089	504,891
Accrued interest receivable	7,371	(655)
Wind farm receivable	350,374	501,008
Decrease in:		
Accounts payable and accrued liabilities	-	(30,380)
Unearned revenue	(123,636)	(171,648)
Net cash provided by operating activities	<u>\$ 576,328</u>	<u>\$ 921,805</u>

See accompanying notes.

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

PRIMARY GOVERNMENT

The Wyoming County Industrial Development Agency (the Agency) was created in 1974 by the Wyoming County Board of Supervisors and a special act of the New York State Legislature to facilitate economic development in the County. The Agency is a discretely presented component unit of Wyoming County. During the year ended December 31, 2010 the Agency transferred a majority of their loan activity as well as start up cash to the Wyoming County Business Assistance Corporation, a blended component unit of the Agency. Some additional loans of the Agency were transferred to the Loan Corporation during the year ended December 31, 2013 and 2014.

COMPONENT UNIT

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

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

B. BASIS OF PRESENTATION

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

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

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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/INVESTMENTS

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

F. ACCOUNTS RECEIVABLE

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

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, 2015 and 2014 depreciation expense amounted to \$251 and \$1,040, respectively.

H. INSURANCE

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

I. UNEARNED REVENUE

The Agency and the Loan Corporation report unearned revenue on 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, 2015 and 2014, the Agency recognized a liability for unearned revenue in the amount of \$113,837 for both years. Also, as of December 31, 2015 and 2014 the Loan Corporation recognized a liability for unearned revenue in the amount of \$203,829 and \$327,465, respectively.

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. NET POSITION

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

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

K. REVENUE RECOGNITION

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

L. STATEMENT OF CASH FLOWS

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

M. USE OF ESTIMATES IN PREPARATION OF FINANCIAL STATEMENTS

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. This affects the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenue and expenditures during the reporting periods. Actual results could differ from those estimates.

N. 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. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

A. ASSETS

1. CASH, CASH EQUIVALENTS AND INVESTMENTS

The Agency's investment policies are governed by State statutes. In addition, the Agency has its own written investment policy. Agency monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The Agency 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.

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

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

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, 2015, the Loan Corporation had \$2,004,410 of bank deposits and was considered fully collateralized under FDIC provisions.

Investment and Deposit Policy

The Agency implemented Governmental Accounting Standards Board Statement No. 40, *Deposit and Investment Risk Disclosures*.

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 102% 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.

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

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

2. NOTES RECEIVABLE

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

		<u>2015</u>	<u>2014</u>
<u>Notes receivable - the Loan Corporation:</u>			
Action Enterprises, Inc.	Monthly installments of principal and interest in the amount of \$1,466 over five years commencing once funding is received from HUD. Annual interest rate of 3.25%. This note paid interest only payments and 50% of the outstanding note is currently in an 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. Since that time, payments did not resume until 2013, and 50% of the outstanding note is currently in an allowance for uncollectible notes.	217,500	250,000
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%.	465,000	470,000
Athletica, Inc.	Monthly installments of principal and interest in the amount of \$2,191 over seven years commencing 02/29/08. Annual interest rate of 6.0%.	6,509	31,591

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

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

		<u>2015</u>	<u>2014</u>
Athletica, Inc. II	Monthly installments of principal and interest in the amount of \$1,006 over five years commencing 03/12/12. Annual interest rate of 5.25%.	\$ 15,517	\$ 26,464
Attica Millworks, Inc.	Monthly installments of principal and interest in the amount of \$2,433 over six years commencing 10/23/10. Annual interest rate of 5.25%. Note entered a stabilization plan during 2012, allowing payments to cease for one year. Payments reconvened in October 2013.	48,718	74,616
Bert Heinrich, Inc.	Monthly installments of principal and interest in the amount of \$248 over eight and a half years amended on 04/23/10. Annual interest rate of 5.5%. Frequency of payments has decreased, therefore 10% of loan is included in allowance for uncollectible notes.	12,630	15,915
Burly Bros.	Monthly installments of principal and interest in the amount of \$1,608 over ten years, commencing 03/13/13, with a balloon payment due on 3/13/23. Annual interest rate of 5.25%.	173,201	183,920
Byrncliff, Inc.	Monthly installments of principal and interest in the amount of \$1,568 over seven years commencing on 01/28/13. Annual interest rate of 5.25%.	68,303	84,304
Caring Harts Transport, Inc.	Monthly installments of principal and interest in the amount of \$531 over five years commencing on 02/26/10. Annual interest rate of 5.0%.	1,055	6,710
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%.	76,334	88,799

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

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

		<u>2015</u>	<u>2014</u>
Drasgow, Inc. II	Monthly installments of principal and interest in the amount of \$1,714 over seven years commencing 07/13/10. Annual interest rate of 5.25%.	\$ 29,596	\$ 48,073
Drasgow, Inc.	Monthly installments of principal in the amount of \$385 over five years commencing 05/24/10. Interest rate of 5.25% was paid at closing.	6,647	10,796
Drasgow, Inc. III	Monthly installments of principal and interest in the amount of \$1,011 over ten years commencing 01/18/13. With a balloon payment in January 2023. Annual interest rate of 5.25%.	136,210	141,049
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%.	193,185	206,770
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%.	96,180	116,304
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%.	47,642	55,186

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

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

		<u>2015</u>	<u>2014</u>
In-Site Enterprises, LLC	Monthly installments of principal and interest in the amount of \$804 over 15 years commencing 05/04/10. Annual interest rate of 5.25%.	\$ 76,808	\$ 82,266
James & Tracie Cooley	Due and payable in full at maturity of one year from loan agreement. Annual interest of 3.25%.	50,000	-
Lisaenal-d LTD	Monthly installments of principal and interest in the amount of \$644 over ten years commencing on 6/4/11. Annual interest rate of 5.25%. Paid in full in 2015.	-	43,826
Lisaenal-d LTD II	Monthly installments of principal and interest in the amount of \$644 over ten years commencing on 4/19/12. Annual interest rate of 5.25%. Received payment of \$29,689 and wrote off remaining \$17,683 against the allowance for uncollectable notes due to foreclosure.	-	47,372
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%.	127,334	134,902
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%.	49,327	76,374
M&T Trucking, Inc.	Monthly installments of principal in the amount of \$2,083 over ten years commencing 08/01/06. Interest rate of 3% was paid at closing.	14,584	39,583

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

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

		<u>2015</u>	<u>2014</u>
Mama's Home, Cooking, LTD	Monthly installments of principal in the amount of \$4,800 over six years commencing on 7/13/05. Non interest bearing note. This note was part of a business stabilization program during the years of 2009 and 2010. Paid in full in 2015.	\$ -	\$ 1,039
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.	64,000	80,000
McCormick Farms, Inc.	Annual installments of principal in the amount of \$26,000 over ten years commencing 06/01/07. Interest rate of 3% was paid at closing.	26,000	52,000
Ray Sciarrino	Monthly installments of principal and interest in the amount of \$506 over fourteen years commencing 09/01/10. Annual interest rate of 4%.	44,759	48,949
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%.	67,153	72,963
Perry NY, LLC	Monthly installments of principal and interest in the amount of \$674 over 20 years commencing 12/16/10. Annual interest rate of 6.0%.	83,517	87,115

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

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

		<u>2015</u>	<u>2014</u>
Prestolite Electric	Monthly installments of principal in the amount of \$2,976 over seven years commencing on 11/15/11. Non interest bearing note.	\$ 119,048	\$ 154,762
RS Maher & Son, Inc.	Monthly installments of principal and interest in the amount of \$476 over ten years commencing 02/18/11. Interest rate of 3% was paid at closing.	29,080	34,800
Sarah Schafer	Monthly installments of principal and interest in the amount of \$528 over seven years commencing 05/08/08. Annual interest rate of 7.0%. This note was previously in a stabilization plan, and has resumed payments on principal.	4,558	10,359
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%.	36,350	45,568
Silver Lake Brewing Project	12 interest payments of \$503 commencing 1/1/16. Monthly installments of principal and interest in the amount of \$1,234 commencing 1/1/17 for 120 months with an annual interest rate of 5.25%.	115,000	-

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

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

		<u>2015</u>	<u>2014</u>
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.	\$ 28,500	\$ 34,833
Steel O'Brien Manufacturing	Monthly installments of principal in the amount of \$506 over ten years commencing on 4/18/11. Interest rate of 3% was paid at closing.	-	37,916
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%.	41,666	48,333
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%.	21,236	28,464
		<hr/>	<hr/>
Total notes receivable of the Loan Corporation		2,743,147	3,121,921
Less: allowance for uncollectible notes		<u>186,263</u>	<u>225,279</u>
Loan Corporation notes receivable, net		2,556,884	2,896,642
Less: current maturities		<u>462,590</u>	<u>460,619</u>
Notes receivable - long-term		<u>\$ 2,094,294</u>	<u>\$ 2,436,023</u>

The Loan Corporation'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 \$186,263 and \$225,279, respectively. Lisenal-D II loan was written off for \$17,683; however, an allowance had been previously established.

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

At December 31, 2015, the notes portfolio consisted of 35 notes that bear interest at rates ranging from 0% to 7% and mature at various dates through November 16, 2030.

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

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

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2016	\$ 462,590	\$ 73,538
2017	326,983	61,921
2018	725,809	51,315
2019	241,888	42,045
2020	280,666	32,307
2021-2030	<u>705,211</u>	<u>81,859</u>
	<u>\$2,743,147</u>	<u>\$ 342,985</u>

3. WIND FARM RECEIVABLE

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

	<u>2015</u>	<u>2014</u>
<u>Wind Projects</u>		
Annual installments:		
Stony Creek	700,748	1,051,122
Less: current maturities	<u>350,374</u>	<u>350,374</u>
Wind farm receivable - long-term	<u>\$ 350,374</u>	<u>\$ 700,748</u>

The Agency's policy is to present receivables net of an allowance for doubtful accounts. At December 31, 2015 and 2014, the receivables noted above were considered fully collectable.

NOTE 3. NET POSITION

The Loan Corporation has received pass-through Micro HUD grant funds from Wyoming County. Under the provisions of the grant, annual program revenue in excess of \$25,000 are restricted to the Micro HUD loan program. Restricted net position amounted to \$149,866 at December 31, 2015 and 2014.

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

NOTE 4. 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.

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS

NOTE 5. LEASES

At December 31, 2015 and 2014, 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 6. RELATED PARTY TRANSACTIONS

The Agency receives some of its equipment and office space resources from the County of Wyoming. The Agency makes no payments to the County for these services, and the value of the services has not been reflected in the assets, liabilities, revenues or expenses of the Agency for the years ended December 31, 2015 and 2014.

NOTE 7. 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 is currently working with the engineers, and have had communications with the State, to try to locate an acceptable location for the project. As of the fiscal year ending December 31, 2015, the Agency has not been able to get NYS DOT to reinstate the funds.

NOTE 8. SUBSEQUENT EVENT

On January 19, 2016, Wyoming County received Federal grant assistance in the amount of \$200,000. The Loan Corporation is a sub-recipient of this assistance through the Community Development Block Grant Program for the purpose of financing a Microenterprise Grant Program which will provide grants to artists and artisans who reside in or will reside in Wyoming County.

SUPPLEMENTAL INFORMATION

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

**COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2015**

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

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

**COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2014**

	Agency	Loan Corporation	Eliminations	Total
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 3,106,563	\$ 1,591,825	\$ -	\$ 4,698,388
Accounts receivable	16,334	-	-	16,334
Accrued interest receivable	-	8,917	-	8,917
Wind farm receivable	350,374	-	-	350,374
Notes receivable	-	460,619	-	460,619
Due from Agency	-	21,521	(21,521) (1)	-
Total current assets	3,473,271	2,082,882	(21,521)	5,534,632
Property and equipment:				
Office equipment	9,005	-	-	9,005
Less: accumulated depreciation	7,605	-	-	7,605
Total property and equipment, net	1,400	-	-	1,400
Noncurrent assets:				
Investments - certificate of deposit	409,961	-	-	409,961
Wind farm receivable	700,748	-	-	700,748
Notes receivable, net	-	2,436,023	-	2,436,023
Land held for investment	55,000	-	-	55,000
Total noncurrent assets	1,165,709	2,436,023	-	3,601,732
Total assets	4,640,380	4,518,905	(21,521)	9,137,764
LIABILITIES				
Due to Loan Corporation	21,521	-	(21,521) (1)	-
Unearned revenue	113,837	327,465	-	441,302
Total liabilities	135,358	327,465	(21,521)	441,302
NET POSITION				
Net investment in capital assets	1,400	-	-	1,400
Restricted	-	149,866	-	149,866
Unrestricted	4,503,622	4,041,574	-	8,545,196
Total net position	\$ 4,505,022	\$ 4,191,440	\$ -	\$ 8,696,462

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

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

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

	Agency	Loan Corporation	Eliminations	Total
Operating revenues:				
Fees and penalties	\$ 142,560	\$ 818	\$ (60,000)	\$ 83,378
Grant revenue	-	123,636	-	123,636
Interest income on notes receivable	-	86,651	-	86,651
Recovery of bad debt	-	21,331	-	21,331
Rental income	2,400	-	-	2,400
Total operating revenues	144,960	232,436	(60,000)	317,396
Operating expenses:				
Administration fee	-	60,000	(60,000)	(1)
Conferences and training	6,422	-	-	6,422
Depreciation	251	-	-	251
Insurance	4,353	-	-	4,353
Marketing	23,520	-	-	23,520
Meetings and dinners	2,227	-	-	2,227
Memberships and publications	4,088	-	-	4,088
Office expense and printing	3,342	-	-	3,342
Professional fees	26,612	-	-	26,612
Professional services	10,749	-	-	10,749
Salaries and benefits	229,181	-	-	229,181
Subcontractors	10,021	-	-	10,021
Travel	5,879	-	-	5,879
Total operating expenses	326,645	60,000	(60,000)	326,645
Operating income (loss)	(181,685)	172,436	-	(9,249)
Nonoperating revenues:				
Interest income	28,042	10	-	28,052
Total nonoperating revenues	28,042	10	-	28,052
Change in net position	(153,643)	172,446	-	18,803
Net position - beginning of year	4,505,022	4,191,440	-	8,696,462
Net position - end of year	\$ 4,351,379	\$ 4,363,886	\$ -	\$ 8,715,265

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

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

**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Agency	Loan Corporation	Eliminations	Total
Operating revenues:				
Fees and penalties	\$ 148,344	\$ -	\$ (60,000) (1)	\$ 88,344
Grant revenue	-	171,648	-	171,648
Interest income on notes receivable	-	102,386	-	102,386
Rental income	2,280	-	-	2,280
Miscellaneous	30	-	-	30
Total operating revenues	150,654	274,034	(60,000)	364,688
Operating expenses:				
Administration fee	-	60,000	(60,000) (1)	-
Bad debt expense	-	8,582	-	8,582
Conferences and training	1,445	-	-	1,445
Depreciation	1,040	-	-	1,040
Insurance	3,805	-	-	3,805
Marketing	2,049	-	-	2,049
Meetings and dinners	404	-	-	404
Memberships and publications	3,693	-	-	3,693
Office expense and printing	3,705	-	-	3,705
Professional fees	17,265	-	-	17,265
Professional services	12,110	-	-	12,110
Salaries and benefits	207,780	-	-	207,780
Subcontractors	4,551	-	-	4,551
Travel	3,198	-	-	3,198
Total operating expenses	261,045	68,582	(60,000)	269,627
Operating income (loss)	(110,391)	205,452	-	95,061
Nonoperating revenues (expenses):				
Interest income	25,194	8	-	25,202
Total nonoperating revenues (expenses)	25,194	8	-	25,202
Change in net position	(85,197)	205,460	-	120,263
Net position - beginning of year	4,590,219	3,985,980	-	8,576,199
Net position - end of year	\$ 4,505,022	\$ 4,191,440	\$ -	\$ 8,696,462

(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 UNITY OF WYOMING COUNTY)**

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

	Agency	Loan Corporation	Eliminations	Total
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from providing services	\$ 490,147	\$ 17,464	\$ (60,000) (1)	\$ 447,611
Interest income on notes receivable	-	94,022	-	94,022
Repayments of notes receivable	-	526,089	-	526,089
Issuance of notes receivable	-	(165,000)	-	(165,000)
Payments of service providers and suppliers	(97,213)	(60,000)	60,000 (1)	(97,213)
Payments for employee services	(229,181)	-	-	(229,181)
Net cash provided by operating activities	163,753	412,575	-	576,328
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest income	28,042	10	-	28,052
Purchase (redemption) of certificate of deposits, net	(3,342)	-	-	(3,342)
Sale of land held for investment	5,000	-	-	5,000
Net cash provided by investing activities	29,700	10	-	29,710
Net increase in cash and cash equivalents	193,453	412,585	-	606,038
Cash and cash equivalents - beginning of year	2,905,563	1,591,825	-	4,497,388
Cash and cash equivalents - end of year	\$ 3,099,016	\$ 2,004,410	\$ -	\$ 5,103,426

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

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

	Agency	Loan Corporation	Eliminations	Total
Reconciliation of income (loss) from operations to net cash provided by operating activities:				
Income (loss) from operations	\$ (181,685)	\$ 172,436	\$ -	\$ (9,249)
Adjustment to reconcile income (loss) from operations to net cash provided by operating activities:				
Depreciation expense	251	-	-	251
Bad debt expense, net of recoveries	-	(21,331)	-	(21,331)
Change in assets and liabilities:				
Decrease (increase) in:				
Accounts receivable	16,334	(4,875)	-	11,459
Notes receivable	-	361,089	-	361,089
Accrued interest receivable	-	7,371	-	7,371
Due from other governments	-	21,521	(21,521)	-
Wind farm receivable	350,374	-	-	350,374
Increase (decrease) in:				
Due to other governments	(21,521)	-	21,521	(2)
Unearned revenue	-	(123,636)	-	(123,636)
Net cash provided by operating activities	\$ 163,753	\$ 412,575	\$ -	\$ 576,328

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

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

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

**COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	<u>Agency</u>	<u>Loan Corporation</u>	<u>Eliminations</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from providing services	665,568			605,568
Interest income on notes receivable	-	101,731	(60,000) (1)	101,731
Repayments of notes receivable	-	504,891	-	504,891
Payments of service providers and suppliers	(52,225)	(90,000)	60,000 (1)	(82,225)
Payments for employee services	(208,160)	-	-	(208,160)
Net cash provided by operating activities	<u>405,183</u>	<u>516,622</u>	<u>-</u>	<u>921,805</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Interest income	25,194	8	-	25,202
Purchase of certificate deposit	(2,172)	-	-	(2,172)
Net cash provided (used) by investing activities	<u>23,022</u>	<u>8</u>	<u>-</u>	<u>23,030</u>
Net increase in cash and cash equivalents	428,205	516,630	-	944,835
Cash and cash equivalents - beginning of year	<u>2,678,358</u>	<u>1,075,195</u>	<u>-</u>	<u>3,753,553</u>
Cash and cash equivalents - end of year	<u>\$ 3,106,563</u>	<u>\$ 1,591,825</u>	<u>\$ -</u>	<u>\$ 4,698,388</u>
Reconciliation of income (loss) from operations to net cash provided by operating activities:				
Income (loss) from operations	\$ (110,391)	\$ 205,452	\$ -	\$ 95,061
Adjustment to reconcile income from operations to net cash provided by operating activities:				
Depreciation expense	1,040			1,040
Bad debt expense, net of recoveries	-	8,582	-	8,582
Change in assets and liabilities:				
Decrease (increase) in:				
Accounts receivable	13,906		-	13,906
Notes receivable	-	504,891	-	504,891
Accrued interest receivable	-	(655)	-	(655)
Wind farm receivable	501,008	-	-	501,008
Increase (decrease) in:				
Accounts payable and accrued liabilities	(380)	(30,000)	-	(30,380)
Unearned revenue	-	(171,648)	-	(171,648)
Net cash provided by operating activities	<u>\$ 405,183</u>	<u>\$ 516,622</u>	<u>\$ -</u>	<u>\$ 921,805</u>

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

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF INDUSTRIAL REVENUE BONDS ISSUED BY THE AGENCY
AS OF DECEMBER 31, 2015

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

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF INDUSTRIAL REVENUE LEASES ISSUED BY THE AGENCY
AS OF DECEMBER 31, 2015

Name of Project	M&T Truckng
Address of Owner	Mark & Tracie Cole 532 Peoria Road Pavilion, New York 14525
Date of Lease	1/20/2006
Date of Expiration	1/19/2021
Name of Project	Blue Seal Feeds, Inc.
Address of Owner	50 Williams Street Arcade, New York 14009
Date of Lease	2/14/2008
Date of Expiration	2/13/2018
Name of Project	Koike Aronson, Inc. AMENDED
Address of Owner	635 West Main Street Arcade, New York 14009
Date of Lease	2/26/2007 Date Amended 12/23/13
Date of Expiration	2/25/2017 Amended new term 12/22/23
Name of Project	Park Warner, LLC
Address of Owner	7406 Route 98 Arcade, New York 14009
Date of Lease	2/22/2007
Date of Expiration	2/21/2017
Name of Project	TPI Arcade, Inc.
Address of Owner	7888 Route 98 Arcade, NY 14009
Date of Lease	10/1/1999
Date of Expiration	5/1/2020 terminated Lease/ PILOT 11/16/15
Name of Project	Noble Bliss Wind Park, LLC
Address of Owner	7294 Centerville Road Bliss, New York 14024
Date of Lease	4/23/2007
Date of Expiration	6/30/2023 (plus 5)

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF INDUSTRIAL REVENUE BONDS ISSUED BY THE AGENCY
AS OF DECEMBER 31, 2015

Name of Project	Noble Wethersfield Windpark, LLC
Address of Owner	7294 Centerville Road Bliss, New York 14024
Date of Lease	5/14/2008
Date of Expiration	06/30/2024 (plus 5)

Name of Project	Sheldon Energy, LLC
Address of Owner	One South Wacker Drive, Suite 2020 Chicago, IL 60606
Date of Lease	9/10/2008
Date of Expiration	9/30/2024 (plus 5)

Name of Project	Perry NY, LLC
Address of Owner	Rick Hauser 2 Borden Ave. Perry, NY 14530
Date of Lease	9/20/2007
Date of Expiration	9/19/2017

Name of Project	Krog Corp/ Arcade REHC 1
Address of Owner	The Krog Corporation 4 Centre Drive Orchard Park, New York 14127
Date of Lease	10/3/2008
Date of Expiration	12/31/2019

Name of Project	WNY Crop Management Association
Address of Owner	5240 Curtis Road Warsaw, New York 14569
Date of Lease	10/15/2008
Date of Expiration	10/15/2018

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF INDUSTRIAL REVENUE BONDS ISSUED BY THE AGENCY
AS OF DECEMBER 31, 2015

Name of Project	Crompton Holdings, Inc. -Tranfer Sun Jelly WNY RV, LLC
Address of Owner	27777 Franklin Road South Field, MI 48034
Date of Lease	11/18/2008
Date of Expiration	11/18/2018

Name of Project	Drasgow, Inc.
Address of Owner	Karl Drasgow Varysburg, NY 14167
Date of Lease	12/7/2006
Date of Expiration	12/6/2016

Name of Project	CFD Real Estate / Agri Fab & Repair
Address of Owner	7965 Route 63 Pavilion, New York 14525
Date of Lease	2/23/2010
Date of Expiration	2/23/2020

Name of Project	Hidden Valley Animal Adventure, LLC
Address of Owner	2614 Royce Road Varysburg, New York 14157
Date of Lease	1/7/2010
Date of Expiration	1/7/2020

Name of Project	In.Site Enterprises, LLC
Address of Owner	2 Borden Ave. Suite 202 Perry, New York 14530
Date of Lease	2/4/2010
Date of Expiration	2/4/2020

Name of Project	Perry New York LLC - Howell Building
Address of Owner	2 Borden Ave. Suite 202 Perry New York 14530
Date of Lease	4/23/2010 4/23/2020

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF INDUSTRIAL REVENUE LEASES ISSUED BY THE AGENCY
AS OF DECEMBER 31, 2015

Name of Project	Steel & O'Brien Manufacturing, Inc.
Address of Owner	7196 Route 98 Arcade, New York 14009
Date of Lease	1/11/2011
Date of Expiration	1/11/2021

Name of Project	Noble Wind Operations
Address of Owner	3700 Route 78 Bliss, New York 14024
Date of Lease	3/18/2011
Date of Expiration	2/28/2021

Name of Project	EG & JR Miller (Sedam's)
Address of Owner	3165 Route 246, PO Box 106 Perry, NY 14530
Date of Lease	1/27/2012
Date of Expiration	1/26/2022

Name of Project	Beaver Hollow Wellness, LLC
Address of Owner	1083 Pit Road Java, New York
Date of Lease	9/28/2012
Date of Expiration	9/27/2022

Name of Project	3208 Route 39, LLC (LVM Materials)
Address of Owner	3200 Route 39 Bliss , New York 14024
Date of Lease	8/31/2012
Date of Expiration	8/30/2022

Name of Project	Stony Creek Energy, LLC
Address of Owner	One South Wacker Drive, Suite 1900 Chicago, Illinois 60606
Date of Lease	3/1/2013
Date of Expiration	12/31/2029 (plus 5)

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF INDUSTRIAL REVENUE LEASES ISSUED BY THE AGENCY
AS OF DECEMBER 31, 2015

Name of Project Perry Holding Company, LLC
Address of Owner 3180 Route 246
Perry, New York 14530
Date of Lease 10/1/2013
Date of Expiration 12/31/2025

Name of Project Maple Grove- Hobin's
Address of Owner 7075 Route 98
Arcade, New York 14009
Date of Lease 12/23/2013
Date of Expiration 12/22/2023

Name of Project Arcade & Attica Railroad
Address of Owner 278 Main Street
Arcade, New York 14009
Date of Lease 2/21/2014
Date of Expiration 4/1/2020

Name of Project Paddock Properties, LLC
Address of Owner 440 Commerce Way
Warsaw, New York 14569
Date of Lease 3/19/2014
Date of Expiration 3/18/2024

Name of Project Center Street Business Center, LLC
Address of Owner 36 Center Street
Warsaw, New York 14569
Date of Lease 07/16/2014
Date of Expiration 12/31/2031

Name of Project New CFI Properties, Inc. (Creative Food Ingredients)
Address of Owner 1 Lincoln Ave.
Perry, New York 14530
Date of Lease 1/1/2015
Date of Expiration 5/31/2027

WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF INDUSTRIAL REVENUE LEASES ISSUED BY THE AGENCY
AS OF DECEMBER 31, 2015

Name of Project	New	Maple Pro, Inc. (CDL USA)
Address of Owner		3 Lemnah Drive St. Albans, Vermont 05478
Date of Lease		02/01/15
Date of Expiration		05/31/26

Name of Project	New	Alpine Acres, LLC (East Hill Creamery)
Address of Owner		5840 Route 20A, Warsaw, New York 14569
Date of Lease		07/01/15
Date of Expiration		05/31/27

SECTION B

INTERNAL CONTROL AND COMPLIANCE



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Wyoming County Industrial Development (the Agency), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Agency'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 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 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 INDUSTRIAL DEVELOPMENT AGENCY
REPORT TO THE BOARD OF DIRECTORS**

DECEMBER 31, 2015



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.

CONTENTS

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

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:

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 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

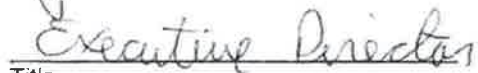
In connection with your audit, conducted in accordance with *Government Auditing Standards*, we confirm that management:

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


Signature


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