

WYOMING COUNTY BUSINESS CENTER, INC.

REPORT TO THE BOARD OF DIRECTORS

DECEMBER 31, 2010



Freed Maxick & Battaglia, PC
Certified Public Accountants

May 27, 2011

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

We are pleased to present this report related to our audit of the financial statements of Wyoming County Business Center, Inc. (the Center) for the year ended December 31, 2010. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Center's financial 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 Center.

Very truly yours,

Freed Maxick & Battaglia, CPAs, PC

Freed Maxick & Battaglia, PC

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Take it to
the Max.

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Required Communications

Statement on Auditing Standards No. 114 requires the auditor to communicate certain matters to keep those charged with governance adequately informed about matters related to the financial statement audit that are, in our professional judgment, significant and relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. The following summarizes these communications.

Area	Comments
Auditor's Responsibility Under Professional Standards	Our responsibility 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 14, 2010.
Accounting Practices	Adoption of, or Change in, Accounting Policies Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Center. The Center did not adopt any significant new accounting policies nor have there been any changes in existing significant accounting policies during the current period. Significant or Unusual Transactions 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.
Management's Judgments and Accounting Estimates	Alternative Treatments Discussed with Management We did not discuss with management any alternative treatments within generally accepted accounting principles for accounting policies and practices related to material items during the current audit period. 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

Area	Comments
	events. Management has informed us they used all the relevant facts available to them at the time to make the best judgments about accounting estimates and we considered this information in the scope of our audit. Estimates significant to the financial statements include such items as allowance for uncollectible loans and depreciation.
Audit Adjustments	We have seven audit adjustments shown on the attached Summary of Recorded Audit Adjustments, made to the original trial balance presented to us to begin our audit.
Uncorrected Misstatements	We noted no uncorrected misstatements 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.
Difficulties Encountered in Performing the Audit	We did not encounter any difficulties in dealing with management during the audit other than noting errors in the accounting records provided to us to begin our audit.
Letter Communicating a Material Weakness, Control Deficiencies and Other Matters	We have separately communicated certain deficiencies identified during our audit of the financial statements and this communication is attached as Exhibit A.
Certain Written Communications Between Management and Our Firm	A copy of certain written communications between our firm and the management of the Center is attached as Exhibit B.

Wyoming County Business Center, Inc.

Year End: December 31, 2010

Summary of Recorded Audit Adjustments

Date: 01/01/2010 To 12/31/2010

Name	Account No	Debit	Credit
Bank of Castile - 8298	1012	63	
Interest Income	3100		63
To post interest income earned from August through December 2010.			
Accounts payable	2200		6,530
Micro Loan Program	6200	3,100	
Accounting Fees	6650	930	
FastTrac:7310 Training Manuals	7310	2,500	
To record accounts payable as of 12/31/10.			
Fixed Assets	1500	210	
Office Supplies	6390		210
To correct fixed assets as of 12/31/10.			
Retained Earnings	1110	66,000	
Conditional Grant from the IDA	4000		66,000
To correct beginning fund balance.			
Other Income	4150		2,180
Admin Contract with Chamber Exp	6600	2,180	
To reclass a refund of pay into a revenue account, instead of an expense account.			
Retained Earnings	1110		2,390
Marketing Expense	6770	2,390	
To correct fund balance.			
Microenterprise Loan Program - Client Draw Dov	3230	107,288	
Micro Loan Program	6200		107,293
Office Supplies	6390	5	

Wyoming County Business Center, Inc.

Year End: December 31, 2010

Summary of Recorded Audit Adjustments

Date: 01/01/2010 To 12/31/2010

Name	Account No	Debit	Credit
To net the revenue and expense related to microloan clearing amounts as of 12/31/10.			
		184,666	184,666

**EXHIBIT A - LETTER COMMUNICATING A MATERIAL WEAKNESS,
CONTROL DEFICIENCIES AND OTHER MATTERS**

Letter Communicating a Material Weakness, Control Deficiencies and Other Matters

In planning and performing our audit of the financial statements of the Center as of and for the year ended December 31, 2010, in accordance with auditing standards generally accepted in the United States of America, we considered the Center's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center's internal control. Accordingly, we do not express an opinion on the effectiveness of the Center's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness. We have also identified control deficiencies and other matters that we would like to bring to your attention so that you can implement corrective procedures to ensure accurate financial reporting.

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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Center's financial statements will not be prevented, or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or 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.

The Center's written responses to the deficiencies identified in our audit have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

MATERIAL WEAKNESS

Financial Accounting and Reporting

Observation

Management requests us to draft the Center's annual audited financial statements and footnote disclosures. As part of this process, we identify and recommend various audit adjustments required to ensure the financial statements are fairly stated in conformity with generally accepted accounting principles. Because an auditor cannot be part of an entity's system of internal control, we believe management's need for our assistance results in a material weakness in internal control over financial reporting.

Recommendation

While a material weakness of this nature is typical of entities of your size and structure, we recommend management consider additional training to ensure that they completely understand the accounting and reporting requirements of generally accepted accounting principles.

Management Response

Management recognized that additional training of the Administrative Assistant relative to accounting and reporting requirements were needed. The Administrative Assistance attended QuickBooks training from Genesee Community College on March 22nd, 29th, April 5th, 12th and 19th 2011. The Center has also under agreement dated January 15, 2011 retained the services West's Bookkeeping Services of Perry, NY to provide on-line QuickBook accounting for the Center with oversight from Carrie West, owner of West's Bookkeeping Services.

CONTROL DEFICIENCIES

Recording of Interest Revenue

Observation

During our audit, it was noted that the Center was not recording interest earned on the funds on deposit in the Center's money market account or the certificate of deposit during the months of August through December.

Recommendation

We recommend that interest revenue be recorded on all interest bearing accounts or investments as it is earned.

Management Response

Management was unaware that interest revenues were not being accounted for when earned. This has since been corrected.

Bank Reconciliations

Observation

During our audit, it was noted that there was one bank account that was not reconciled for the latter half of the year. It was also noted that the President had not signed off on bank reconciliations indicating his review.

Recommendation

We recommend that bank accounts be reconciled in a timely manner. Bank reconciliations should be reviewed by the President and initialed documenting their review and approval.

Management Response

Management was unaware that bank reconciliations were not being completed on a monthly basis and have not historically reviewed them. This has since been corrected and management will sign off after reviewing each monthly bank reconciliation from this point forward.

Observation

During our audit, it was noted that a bank reconciliation provided did not reconcile to the general ledger.

Recommendation

We recommend that bank reconciliations be prepared monthly for all accounts reconciled to the general ledger on a monthly basis.

Management Response

Management was unaware that the bank reconciliations were not being reconciled with the general journal on a monthly basis. This will now be reconciled monthly.

OTHER MATTERS

Compliance in Accordance with the Public Authorities Accountability Act (PAAA)

Observation

During our audit, it was noted that the Center's code of ethics was not reaching the appropriate officials and the property disposition policy was not on the Center's website. Also, the PARIS report was filed after the required deadline.

Recommendation

We recommend that the code of ethics and property disposition policy be put on the Center's website. Since the PARIS report refers to the Center's website as the location of the code of ethics, putting the code of ethics on the website will ensure that it is getting to the appropriate officials. We also recommend that the Center follow the due dates established by PAAA to submit the PARIS report.

Management Response

Management has now placed the Code of Ethics and Property Disposition on the website. The PARIS report was due on March 31, 2011 but several delays were encountered with the Center in getting satisfactory reports and financial reports to the auditors. Some of these delays are related to the transitioning of a new bookkeeper into the position and books that were not organized in a proper fashion. The bookkeeper has received training and the books and accounts are being re-organized with assistance from West's Bookkeeping Services to ensure that timely and satisfactory reports are available on a monthly basis and for the annual audit.

Lack of Documentation

Observation

During our audit, it was noted that there was one instance out of 25 selections where there was a lack of documentation supporting a disbursement.

Recommendation

Although there was a phone call noted that supported the amount of the disbursement, we recommend that the Center maintain adequate source documentation related to all disbursements.

Management Response

Management recognized that proper documentation was not presented for one disbursement. It was however verified with a phone call that supported the disbursement. Management will be more vigilant about ensuring that every disbursement is documented moving forward.

EXHIBIT B - CERTAIN WRITTEN COMMUNICATIONS
BETWEEN MANAGEMENT AND OUR FIRM

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

May 27, 2011

Freed Maxick & Battaglia, PC
One Evans Street
Batavia, New York 14020

In connection with your audit of the basic financial statements of Wyoming County Business Center, Inc. (the Center) as of and for the year ended December 31, 2010, we confirm, we are responsible for the fair presentation in the financial statements of financial position and results of activities in conformity with accounting principles generally accepted in the United States of America.

We confirm, to the best of our knowledge and belief as of May 27, 2011 the following representations made to you during your audit.

1. The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America.
2. We are responsible for compliance with laws and regulations applicable to the Center, including adopting, approving, and amending budgets.
3. We have identified and disclosed to you all laws and regulations that have a direct and material effect on the determination of financial statement amounts.
4. We have made available to you all:
 - a. Financial records and related data.
 - b. Minutes of the meetings of the directors and committees of directors or summaries of actions of recent meetings for which minutes have not yet been prepared.
5. We have no knowledge of fraud or suspected fraud affecting the Center involving:
 - a. Management
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.

6. We acknowledge our responsibility for the design and implementation of programs and controls to provide reasonable assurance that fraud is prevented and detected.
7. We have no knowledge of any allegations of fraud or suspected fraud affecting the Center received in communications from employees, former employees, regulators, or others.
8. We have informed you of all significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the Center's ability to record, process, summarize, and report financial data.
9. We have informed you of all communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
10. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
11. The following have been properly recorded and/or disclosed in the financial statements:
 - a. All significant estimates and material concentrations known to management which are to be disclosed in accordance with the Risks and Uncertainties Topic of the FASB Accounting Standards Codification. Concentrations refer to volumes of business, revenues, available sources of supply, or markets for which events could occur which would significantly disrupt normal finances within the next year.
 - b. Tax status.
 - c. Allocations of functional expenses based on a reasonable basis.
 - d. Deferred revenue from exchange transactions.
 - e. Deposits and investment securities category of custodial credit risk.
 - f. Assets and liabilities measured at fair value.
 - g. Related party relationships, transactions and related amounts receivable or payable including sales, purchases, loans, transfers, leasing arrangements and guarantees, all of which have been recorded in accordance with the economic substance of the transactions.
12. We are responsible for making the accounting estimates included in the financial statements. Those estimates 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 reduce receivables to their estimated net collectible amounts. As of December 31, 2010 and 2009, no allowance is deemed necessary.

13. There are no:

- a. Material transactions that have not been properly recorded in the accounting records underlying the financial statements.
- b. Violations or possible violations of laws or regulations whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency. In that regard, we specifically represent that we have not been designated as, or alleged to be, a “potentially responsible party” by the Environmental Protection Agency in connection with any environmental contamination.
- c. Other material liabilities or gain or loss contingencies that are required to be accrued or disclosed by the Contingencies Topic of the FASB Accounting Standards Codification.
- d. Guarantees, whether written or oral, under which the Center is contingently liable.
- e. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances.
- f. Lines of credit or similar arrangements.
- g. Agreements to repurchase assets previously sold.
- h. Security agreements in effect under the Uniform Commercial Code.
- i. Liens or encumbrances on assets or other pledges of assets.
- j. Contractual obligations for construction and/or purchase of real property, equipment or other assets.
- k. Investments required to be recorded at fair market value.
- l. Liabilities which are subordinated in any way to any other actual or possible liabilities.
- m. Leases or material amounts of rental obligations under long-term leases.
- n. Concentrations of credit risk.
- o. Special or extraordinary items.
- p. Impairments of capital assets.
- q. Debt issue provisions.
- r. Authorized but unissued bonds and/or notes.

s. Risk financing activities.

14. There are no unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with the Contingencies Topic of the FASB Accounting Standards Codification and/or GASB Statement No. 10.
15. We have no direct or indirect, legal or moral, obligation for any debt of any organization, public or private that is not disclosed in the financial statements.
16. We have satisfactory title to all owned assets.
17. We have complied with all aspects of contractual agreements, grants and donor restrictions that would have a material effect on the 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.
18. We have received a determination letter from the Internal Revenue Service that we are exempt from federal income taxes as a section 501(c) (3) not-for-profit corporation, and we have complied with the IRS regulations regarding this exemption.
19. Net asset components (invested in capital assets, net of related debt, restricted and unrestricted) are properly classified and, if applicable, approved.
20. Expenses have been appropriately classified in the Statement of Revenues, Expenditures and Changes in Net Assets and allocations have been made on a reasonable basis.
21. Revenues are appropriately classified in the Statement of Revenues, Expenditures and Changes in Net Assets.
22. Capital assets are properly capitalized, reported, and depreciated.
23. We are responsible for and have reviewed and approved the proposed adjustments to the trial balances identified during the audit, which are included in the summarized schedule of posted adjustments and will post all adjustments accordingly. We have reviewed and approved, and are responsible for overseeing the preparation and completion of the basic financial statements and related notes.

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

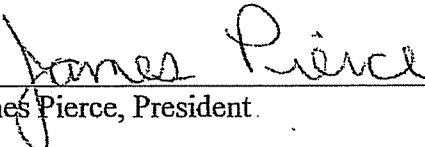
1. We are responsible for:

- a. Compliance with laws, regulations, and provisions of contracts and grant agreements applicable to the Center.
 - b. Establishing and maintaining effective internal control over financial reporting.
2. We have identified and disclosed to you:
 - a. All laws, regulations, and provisions of contracts and grant agreements that have a direct and material effect on the determinations of financial statement amounts or other financial data significant to audit objectives.
 - b. There were no violations (or possible violations) of laws, regulations, and provisions of contracts and grant agreements whose effects should be considered for disclosure in the auditor's report on noncompliance.
 3. We have a process to track the status of audit findings and recommendations.
 4. We have identified for you previous financial audits, attestation engagements, performance audits, or other studies related to the objectives of the audit being undertaken and the corrective action taken to address significant findings and recommendations.
 5. We have provided you with our views on your reported findings, conclusions, and recommendations, as well as our planned corrective actions for the report.
 6. We have reviewed, approved, and take full responsibility for the financial statements and related notes and acknowledge the auditor's role in the preparation of this information.

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

We reaffirm the representation made to you in our letter dated May 17, 2010 with respect to the financial statements as of and for the year ended December 31, 2009.

Wyoming County Business Center, Inc



James Pierce, President.