

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

DECEMBER 31, 2010



Freed Maxick & Battaglia, PC
Certified Public Accountants

March 28, 2011

To the Members of the Board of Directors
Wyoming County Industrial Development Agency
Warsaw, New York

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 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 Wyoming County Industrial Development Agency's financial and compliance reporting process. Also, included is a summary of recently issued accounting standards that may affect future financial reporting by the Agency.

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 Wyoming County Industrial Development Agency.

Very truly yours,

Freed Maxick & Battaglia, CPAs, PC

Freed Maxick & Battaglia, CPAs, PC

BUFFALO
800 Liberty Building
Buffalo, NY 14202
716.847.2651
Fax 716.847.0069

BATAVIA
One Evans Street
Batavia, NY 14020
585.344.1967
Fax 585.344.4156

ROCHESTER
Cross Bridge Office Park, Building #4, Suite 300
2000 Winton Road South, Rochester, NY 14618
585.256.2090
Fax 585.256.2101

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	<p>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.</p>
Accounting Practices	<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>Alternative Treatments Discussed with Management</p> <p>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.</p>
Management's Judgments and Accounting Estimates	<p>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. Management has informed us they used all the relevant facts available to them at the time</p>

Area	Comments
	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 included such items as depreciation and allowance for uncollectible notes.
Audit Adjustments	There were two audit adjustments made to the original trial balance presented to us to begin our audit.
Uncorrected Misstatements	There were no uncorrected misstatements.
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. Although we assisted management with accounting for the transfer of assets to the Wyoming County Business Assistance Center.
Difficulties Encountered in Performing the Audit	We did not encounter any difficulties in dealing with management during the audit.
Letter Communicating an Other Matter	We have separately communicated an other matter identified during our audit of the financial statements which is included as Exhibit A.
Certain Written Communications Between Management and Our Firm	A copy of a certain written communications between our firm and the management of the Agency is attached as Exhibit B.

Wyoming County I.D.A.: WCIDA

Year End: December 31, 2010

Summary of Recorded Audit Adjustments

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

Date	Number	Name	Account No	Debit	Credit
12/31/2010	1	CDBG SMALL CITIES GRANT FUND	4110.00 ENT01		335,000
12/31/2010	1	Grant Expenses	5251.00 ENT01	335,000	
To record grant revenue and expense related to pass through funds from Wyoming County.					
12/31/2010	4	Equity Transfer to WCBAC	3004.00 ENT01	2,221,192	
12/31/2010	4	BDRLF Grant Expense	8010.00 ENT01		641,035
12/31/2010	4	Transfer of IDA loans	9520.00 ENT01		1,575,729
12/31/2010	4	Interest trans with loans	9540.00 ENT01		4,428
To correct the transfer of equity to the WCBAC from the WCIDA.					
				2,556,192	2,556,192

EXHIBIT A

LETTER COMMUNICATING AN OTHER MATTER

Communication of an Other Matter

In connection with our audit of the financial statements of the Agency as of and for the year ended December 31, 2010, we identified an other matter that would merit further attention.

A control deficiency 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 deficiency in design exists when a control necessary to meet the control objective is missing, or when an existing control is not properly designed so that even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or qualifications to perform the control effectively.

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 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.

We have noted an other matter below that we do not believe constitutes a significant deficiency or a material weakness.

OTHER MATTER

Reporting Requirements

Observation

The Agency is required to follow both *Government Auditing Standards* and Section 2925(3)(F) of the New York State Public Authorities Law. During our audit, we noted that the code of ethics is not reaching the appropriate officials and the property disposition policy is not on the Agency's website.

Recommendation

We recommend that the Agency report the code of ethics to the appropriate officials and place the property disposition policy on the Agency's website.

Management Response

EXHIBIT B

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



**WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY
6470 ROUTE 20A, SUITE 4
PERRY, NEW YORK 14530**

March 28, 2011

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

In connection with your audit of the basic financial statements of the Wyoming County Industrial Development Agency (the Agency) as of and for the year ended December 31, 2010, we confirm, that we are responsible for the fair presentation in the financial statements of financial position, changes in financial position, and cash flows 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 March 28, 2011 the following representations made to you during your audit.

1. The basic financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America.
2. We have identified for you all organizations that are part of this reporting entity or with which we have a relationship, as these organizations are defined in Section 2100 of the Governmental Accounting Standards Board's Codification of Governmental Accounting and Financial Reporting Standards, that are component units.
3. We are a discretely presented component unit of Wyoming County 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 have identified for you all of our identifiable business-type activities.
5. We have properly classified all funds and activities.
6. We are responsible for compliance with laws and regulations applicable to the Wyoming County Industrial Development Agency including adopting, approving, and amending budgets.
7. 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 including legal and contractual provisions for reporting specific activities in separate funds.



8. We have made available to you:
 - a. All financial records and related data of all funds and activities, including those of all special funds, programs, departments, projects, activities, etc., in existence at any time during the period covered by your audit.
 - b. All 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.
9. We have no knowledge of fraud or suspected fraud affecting the Agency involving:
 - a. Management.
 - b. Employees who have significant roles in the internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.
10. We acknowledge our responsibility for the design and implementation of programs and controls to provide reasonable assurance that fraud is prevented and detected.
11. We have no knowledge of any allegations of fraud or suspected fraud affecting the Wyoming County Industrial Development Agency received in communications from employees, former employees, analysts, regulators, or others.
12. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the entity's ability to record, process, summarize, and report financial data.
13. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
14. We have no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
15. The following have been properly reflected and/or disclosed in the financial statements:
 - a. Related party transactions, including those with other organizations for which the nature and significance of their relationship with Wyoming County Industrial Development Agency are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete, as defined in Section 2100 of the Governmental Accounting Standards Board's Codification of Governmental Accounting and Financial Reporting Standards.
 - b. All significant estimates and material concentrations known to management that are required to be disclosed in accordance with the Risks and Uncertainties Topic of the FASB Accounting Standards Codification. Significant estimates are estimates at the



balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets for which events could occur that would significantly disrupt normal finances within the next year.

- c. Reserves and/or designation of net assets.
 - d. Special and extraordinary items.
 - e. Assets and liabilities measure at fair value.
 - f. Deposits and investment securities category of custodial credit risk.
16. 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. In that regard, adequate provisions have been made to reduce receivables to their estimated net collectable amounts.
17. 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 Federal Environmental Protection Agency or any equivalent state agencies 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 Agency 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 revenues or any assets or revenues which were pledged as collateral for any liability or which were subordinated in any way.
 - j. Investments in debt and equity securities.
 - k. Contractual obligations for construction or purchase of real property or equipment not included in the liabilities or encumbrances recorded on the books.
 - l. Liabilities which are subordinated in any way to any other actual or possible liabilities.
 - m. Debt issue repurchase options or agreements, or sinking fund debt repurchase ordinance requirements.
 - n. Debt issue provisions.
 - o. Leases or material amounts of rental obligations under long-term leases.
 - p. Authorized but unissued bonds and/or notes.
 - q. Risk financing activities.
 - r. Impairment of capital assets.
18. 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.
 19. We have no direct or indirect, legal or moral, obligation for any debt of any organization, public or private that is not disclosed in the financial statement.
 20. We have satisfactory title to all owned assets.
 21. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
 22. Net asset components (invested in capital assets, net of related debt, restricted and unrestricted) are properly classified and, if applicable, approved.
 23. 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.
 24. Revenues are appropriately classified in the Statement of Revenues, Expenditures and Changes in Net Assets.
 25. Capital assets are properly capitalized, reported, and depreciated.



26. 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:

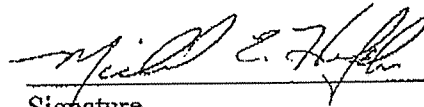
1. We are responsible for:
 - a. Compliance with laws, regulations, and provisions of contracts and grant agreements applicable to the Agency.
 - b. Establishing and maintaining effective internal control over financial reporting.
2. We have identified and disclosed to you:
 - a. All laws, regulations, 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 are no violations (and 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 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.

We are responsible for determining that significant events or transactions that have occurred since the balance sheet date and through March 28, 2011, have been recognized or disclosed in the financial statements. No events or transactions have occurred subsequent to the balance sheet date and through March 28, 2011 that would require recognition or disclosure in the financial statements. We further represent that as of March 28, 2011, the financial statements were complete in a form and format that complied with accounting principles generally accepted in the United States of America, and all approvals necessary for issuance of the financial statements had been obtained.



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 have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

We reaffirm the representations made to you in our letter dated March 23, 2010 with respect to the financial statements as of and for the year ended December 31, 2009.



Signature

Executive Director

Title