

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

**DECEMBER 31, 2011**

Trust earned.



March 28, 2012

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 (the Agency) for the year ended December 31, 2011. 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. 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 Agency.

Very truly yours,

*Freed Maxick CPAs, P.C.*

Freed Maxick CPAs, P.C.

## CONTENTS

Required Communications	1 - 2
Recently Issued Accounting Standards	3 - 4
Exhibit A - Certain Written Communications Between Management and Our Firm Representation Letter	5

**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
<b>Auditor's Responsibility Under Professional Standards</b>	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 January 27, 2012.
<b>Accounting Practices</b>	<b>Adoption of, or Change in, Accounting Policies</b> 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.  <b>Significant or Unusual Transactions</b> 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.
<b>Management's Judgments and Accounting Estimates</b>	<b>Alternative Treatments Discussed with Management</b> 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.
<b>Audit Adjustments</b>	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 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.  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. Although we assisted management with accounting for the transfer of assets to the Wyoming County Business Assistance Center and the Wyoming County Business Center.

**Difficulties Encountered in Performing the Audit**

We did not encounter any difficulties in dealing with management during the audit.

**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 A.

## Recently Issued Accounting Standards

The GASB has issued several statements not yet implemented by the Agency. The Agency's management has not yet determined the effect these Statements will have on the Agency's financial statements. However, the Agency plans to implement all standards by the required dates as deemed necessary. The Statements which might impact the Agency are as follows:

***GASB Statement No. 57, OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans***

This Statement issued December 2009, will be effective for the Agency beginning with its year ending December 31, 2012. Statement No. 57 which addresses issues related to measurement of OPEB obligations by certain employers participating in agent multiple-employer OPEB plans. (In agent multiple-employer plans, separate liabilities are calculated and separate asset accounts are kept for each participating government, rather than being administered and accounted for as a single plan as is done in a cost-sharing plan). GASB Statement No. 57 amends Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, and Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

This Statement enables certain agent employers to use the alternative measurement method, a less complex and potentially less expensive alternative to a full actuarial valuation. It also adjusts the requirement that a defined benefit OPEB plan obtain an actuarial valuation, in light of the change allowing more qualifying employers to use the alternative measurement method and clarifies that the same frequency and timing of determining OPEB measures are required for both agent multiple-employer plans and their participating employers. GASB Statement No. 57 is effective for financial statements for periods beginning after June 15, 2011, however, earlier application of this Statement is encouraged.

***GASB Statement No. 61, The Financial Reporting Entity: Omnibus***

This Statement issued November 2010 will be effective for the Agency beginning with its year ending December 31, 2013. The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, *The Financial Reporting Entity*, and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements.

The requirements of GASB Statement No. 61 are effective for financial statements for periods beginning after June 15, 2012.

**GASB Statement No. 62,  
Codification of Accounting and  
Financial Reporting Guidance  
Contained in Pre-November 30,  
1989 FASB and AICPA  
Pronouncements**

This Statement issued December 2010 will be effective for the Agency beginning with its year ending December 31, 2012. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements:

1. Financial Accounting Standards Board (FASB) Statements and Interpretations
2. Accounting Principles Board Opinions
3. Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure.

Hereinafter, these pronouncements collectively are referred to as the "FASB and AICPA pronouncements."

The requirements of GASB Statement No. 62 are effective for financial statements for periods beginning after December 15, 2011.

**GASB Statement No. 63,  
Financial Reporting of Deferred  
Outflows of Resources,  
Deferred Inflows of Resources,  
and Net Position**

This Statement issued June 2011 will be effective for the Agency beginning with its year ending December 31, 2012. This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities.

The requirements of GASB Statement No. 63 are effective for financial statements for periods beginning after December 15, 2011.

**GASB Statement No. 64,  
Derivative Instruments:  
Application of Hedge  
Accounting Termination  
Provisions—an amendment of  
GASB Statement No. 53**

This Statement issued June 2011 will be effective for the Agency beginning with its year ending December 31, 2012. The objective of this Statement is to clarify whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied.

The requirements of GASB Statement No. 64 are effective for financial statements for periods beginning after June 15, 2011.

EXHIBIT A

CERTAIN WRITTEN COMMUNICATIONS BETWEEN MANAGEMENT  
AND OUR FIRM





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

March 28, 2012

Freed Maxick CPAs, P.C.  
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, 2011, 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, 2012 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 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 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.
  - c. Assets and liabilities measure at fair value.
  - d. Deposits and investment securities category of custodial credit risk.
  - e. Reserves and/or designation of net assets.
  - f. Special and extraordinary items.
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, restricted and unrestricted) are properly classified and, if applicable, approved.



23. Expenses have been appropriately classified in the Statement of Revenues, Expenses and Changes in Net Assets and allocations have been made on a reasonable basis.
24. Revenues are appropriately classified in the Statement of Revenues, Expenses 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.
27. 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.

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, if applicable.
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.



No events or transactions have occurred subsequent to the balance sheet date, other than those disclosed in the notes to the financial statements, and through the date of this letter that would require adjustment to, or disclosure in, the financial statements.

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 Freed Maxick & Battaglia, CPAs, PC in our letter dated March 28, 2011 with respect to the financial statements as of and for the year ended December 31, 2010.

\_\_\_\_\_  
Signature

*Executive Director*

\_\_\_\_\_  
Title





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

March 28, 2012

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) 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, 2011 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 understand that 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. The criteria for examining the Investment Guidelines are under New York State Comptroller's Investment Guidelines for Public Authorities and Section 2925 of the New York State Public Authorities Law.
3. We understand that we are responsible for determining that such criteria are appropriate for our purposes.
4. The assertion about the subject matter based on the criteria selected is as follows:
  - The Investment Guidelines for the year ended December 31, 2011, are presented in accordance with 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.
5. There are no known matters contradicting the assertion nor any communication from regulatory agencies affecting the Investment Guidelines.
6. We have made available to you all records relevant to the Investment Guidelines.
7. No events or transactions have occurred subsequent to the date of the examination report that would require adjustment to, or disclosure in the presentation of 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

  
Executive Director