

LIVINGSTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY

REPORT TO THE BOARD OF DIRECTORS

DECEMBER 31, 2008



March 20, 2009

To the Members of the Board of Directors
Livingston County Industrial Development Agency
Geneseo, New York

We are pleased to present this report related to our audit of the financial statements of Livingston County Industrial Development Agency for the year ended December 31, 2008. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for Livingston County Industrial Development Agency 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 Livingston County Industrial Development Agency.

Very truly yours,

Freed Maxick & Battaglia, CPAs, PC

Freed Maxick & Battaglia, PC

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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 February 25, 2009.
Accounting Practices	Adoption of, or Change in, Accounting Policies 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. 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. 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.
Management's Judgments and Accounting Estimates	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. An estimate significant to the financial statements includes depreciation.
Audit Adjustments	We have two 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.
Certain Written Communications Between Management and Our Firm	A copy of certain written communications between our firm and the management of the Agency is attached as Exhibit A.

Livingston County Industrial Development Agency

0204

Year End: December 31, 2008

Summary of Recorded Audit Adjustments

Date: 01/01/2008 To 12/31/2008

Number	Name	Account No	Debit	Credit
1	Accum. Depreciation	160		5,048.00
1	Accum. Depreciation	160		4,450.00
1	Unrestricted net assets	270	5,048.00	
1	Depreciation	6180	4,450.00	
To record prior year and current year depreciation.				
2	Expense Reimb. Receivable	125		1,103.00
2	Unrestricted net assets	270	1,103.00	
To adjust Fund balance to prior year financial statements.				
			10,601.00	10,601.00

EXHIBIT A - CERTAIN WRITTEN COMMUNICATIONS
BETWEEN MANAGEMENT AND OUR FIRM

**LIVINGSTON COUNTY INDUSTRIAL DEVELOPMENT AGENCY
6 COURT STREET, ROOM 306
GENESEO, NEW YORK 14454**

March 20, 2009

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

In connection with your audit of the basic financial statements Livingston County Industrial Development Agency (the Agency) as of and for the year ended December 31, 2008, the financial statements referred to above are fairly presented 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 20, 2009 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 a component unit of Livingston County as this term is defined in Section 2100 of the Governmental Accounting Standards Board's Codification of Governmental Accounting and Financial Reporting Standards.
3. We have identified for you all identifiable business-type activities.
4. We have properly classified all funds and activities.
5. We are responsible for compliance with laws and regulations applicable to the Livingston County Industrial Development Agency including adopting, approving, and amending budgets.
6. 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.
7. 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.
8. We have no knowledge of fraud or suspected fraud affecting the entity involving:
 - a. Management or employees who have significant roles in the internal control.
 - b. Others where the fraud could have a material effect on the financial statements.
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 Livingston County Industrial Development Agency received in communications from employees, former employees, analysts, regulators, short sellers, or others.
11. 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.
12. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
13. We know of no violations of state or federal statutory or regulatory provisions, grant or other contractual provisions, or of provisions of local ordinances
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 recorded and/or disclosed in the financial statements:
 - a. All significant estimates known to management which are required to be disclosed in accordance with the AICPA's Statement of Position 94-6, *Disclosure of Certain Significant Risks and Uncertainties*. Significant estimates are estimates at the balance sheet date which could change materially within the next year.
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.
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 Statement of Financial Accounting Standards No. 5 and/or GASB Statement No. 10.
- d. Related party transactions, including those with other organizations for which the nature and significance of their relationship with Livingston 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.
- e. Guarantees, whether written or oral, under which the Agency is contingently liable.
- f. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances.
- g. Lines of credit or similar arrangements.
- h. Agreements to repurchase assets previously sold.
- i. Security agreements in effect under the Uniform Commercial Code.
- j. 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.
- 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. Leases or material amounts of rental obligations under long-term leases.
- n. Authorized but unissued bonds and/or notes.
- o. Risk financing activities.
- p. Impairment of capital assets.

- q. Debt issue repurchase options or agreements, or sinking fund debt repurchase ordinance requirements.
 - r. Debt issue provisions.
 - s. Deposits and investment securities category of custodial risk.
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 Statement of Financial Accounting Standards No. 5 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, or to special assessment bond holders.
 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) and fund balance reserves and designations are properly classified and, if applicable, approved.
 23. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
 24. Revenues are appropriately classified in the statement of activities.
 25. Capital assets, including infrastructure assets, are properly capitalized, reported, and depreciated.
 26. Required supplementary information is properly measured and presented.
 27. 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, 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 the 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. Violations (and possible violations) of laws, regulations, and provisions of contracts and grant agreements whose effects should be considered for disclosure in the auditor repository or noncompliance.
3. We have a process to track the status of audit findings and recommendations.
4. We have provided you with our views on your reported findings, conclusions, and recommendations, as well as our planned corrective actions for the report.
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.
6. We have reviewed, approved, and take full responsibility for all accrual adjustments and an acknowledgement of the auditor's role in the preparation of the adjustments.

No events or transactions have occurred subsequent to the balance sheet date 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 representation made to you in our letter dated March 24, 2008 with respect to the financial statements as of or for the year ended December 31, 2007.


Patrick Rountree


Title