

March 28, 2016

To the Board of Directors
Livingston County Industrial Development Agency

In planning and performing our audit of the financial statements of Livingston County Industrial Development Agency as of and for the year ended December 31, 2015, in accordance with auditing standards generally accepted in the United States of America, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of 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.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. 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.

During our audit, we reviewed the status of certain operation matters that were presented for your consideration during our previous engagement, and have been identified as "status of prior year other comments and recommendations" in the following pages. This letter does not affect our report dated March 28, 2016.

This communication is intended solely for the information and use of management, Board of Directors, and others within the organization and is not intended to be and should not be used by anyone other than those specified parties.

Very truly yours,

EFPR Group, CPAs, PLLC

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Livingston County Industrial Development Agency
Status of Prior Year Other Comments and Recommendations
December 31, 2015

Other Comment and Recommendation - We noted during our prior year risk assessment process for cash disbursements that invoices are to be stamped as received and dated by the Economic Development Specialist. The Executive Director then reviews and initials the invoice and notes which cash account the invoice should be paid from. Our audit procedures discovered several instances where the procedures described were not being followed.

Resolution: We reviewed the status of this comment in our current year audit and noted that the procedures performed follow those described above. This comment is considered resolved in the current year.

Livingston County Industrial Development Agency
Significant Upcoming Accounting Pronouncements
December 31, 2015

GASB 77 - GASB has issued Statement No. 77 *"Tax Abatement Disclosures,"* effective for the year ending December 31, 2016. This Statement requires governments that enter into tax abatement agreements to disclose a brief description of the tax being abated, the gross dollar amount of taxes abated, and commitments made by a government, other than to abate taxes, as part of the tax abatement agreement.

GASB 80 - GASB has issued Statement No. 80, *"Blending Requirements for Certain Component Units - an amendment of GASB Statement No. 14,"* effective for the year ending December 31, 2017. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member.