

**AUDITED
FINANCIAL STATEMENTS**

**WYOMING COUNTY
BUSINESS ASSISTANCE CORPORATION
(A COMPONENT UNIT OF WYOMING COUNTY
INDUSTRIAL DEVELOPMENT AGENCY)**

DECEMBER 31, 2020

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**WYOMING COUNTY BUSINESS ASSISTANCE CORPORATION
(A COMPONENT UNIT OF WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY)
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Wyoming County Business Assistance Corporation
Warsaw, New York 14569

Report on the Financial Statements

We have audited the accompanying financial statements of the Wyoming County Business Assistance Corporation (the Loan Corporation), a component unit of the Wyoming County Industrial Development Agency, as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements which collectively comprise the Loan Corporation's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Loan Corporation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Loan Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Loan Corporation as of December 31, 2020 and 2019, and the changes in its financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 22, 2021 on our consideration of the Loan Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Loan Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Loan Corporation's internal control over financial reporting and compliance.

Freed Maxick CPAs, P.C.

Batavia, New York

March 22, 2021

WYOMING COUNTY BUSINESS ASSISTANCE CORPORATION
(A COMPONENT UNIT OF WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY)
STATEMENTS OF NET POSITION
DECEMBER 31,

	<u>2020</u>	<u>2019</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,149,455	\$ 1,682,008
Cash and cash equivalents - restricted	88,490	160,032
Certificates of deposit	250,000	509,097
Accounts receivable	4,875	4,875
Accrued interest receivable	2,923	3,866
Notes receivable, current portion	414,264	532,419
	<u>1,910,007</u>	<u>2,892,297</u>
Noncurrent assets:		
Notes receivable, net	1,977,388	1,807,757
	<u>3,887,395</u>	<u>4,700,054</u>
LIABILITIES		
Accounts payable	-	225,673
Unearned revenue	374,173	462,986
	<u>374,173</u>	<u>688,659</u>
NET POSITION		
Restricted	88,490	160,032
Unrestricted	3,424,732	3,851,363
	<u>3,513,222</u>	<u>4,011,395</u>
Total net position	\$ <u>3,513,222</u>	\$ <u>4,011,395</u>

See accompanying notes to financial statements.

WYOMING COUNTY BUSINESS ASSISTANCE CORPORATION
(A COMPONENT UNIT OF WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY)
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31,

	<u>2020</u>	<u>2019</u>
Operating revenues:		
Fees and penalties	\$ 400	\$ 9,105
Grant revenue	92,013	103,578
Interest income on notes receivable	40,483	73,597
Recovery of bad debt	10,083	5,214
Total operating revenues	<u>142,979</u>	<u>191,494</u>
Operating expenses:		
Management and general:		
Administration fee	75,000	67,500
Professional services	10,772	9,444
Program services:		
Grant expenses	560,197	239,178
Professional services	1,881	2,350
Bad debt expense	1,234	16,940
Total operating expenses	<u>649,084</u>	<u>335,412</u>
Operating loss	<u>(506,105)</u>	<u>(143,918)</u>
Nonoperating revenues:		
Interest income	7,932	9,099
Total nonoperating revenues	<u>7,932</u>	<u>9,099</u>
Change in net position	(498,173)	(134,819)
Net position - beginning of year	<u>4,011,395</u>	<u>4,146,214</u>
Net position - end of year	\$ <u>3,513,222</u>	\$ <u>4,011,395</u>

See accompanying notes to financial statements.

WYOMING COUNTY BUSINESS ASSISTANCE CORPORATION
(A COMPONENT UNIT OF WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	<u>2020</u>	<u>2019</u>
Cash Flows From Operating Activities		
Receipts from providing services	\$ 3,200	\$ 112,997
Interest income on notes receivable	41,426	75,885
Repayments of notes receivable	207,373	305,119
Receipts from penalties and fees	400	9,105
Issuance of notes receivable	(250,000)	(386,000)
Payments to service providers and suppliers	(238,326)	(22,001)
Payments for grant services and administration	(635,197)	(81,375)
	<u>(871,124)</u>	<u>13,730</u>
Net cash provided (used) by operating activities		
Cash Flows From Investing Activities		
Interest income	7,932	9,099
Proceeds from certificates of deposit	509,097	-
Purchase of certificates of deposit	(250,000)	(509,097)
	<u>267,029</u>	<u>(499,998)</u>
Net cash provided (used) by investing activities		
Net decrease in cash and cash equivalents	(604,095)	(486,268)
Cash and cash equivalents - beginning of year	<u>1,842,040</u>	<u>2,328,308</u>
Cash and cash equivalents - end of year	<u>\$ 1,237,945</u>	<u>\$ 1,842,040</u>
Reconciliation of operating loss to net cash provided (used) by operating activities:		
Operating loss	\$ (506,105)	\$ (143,918)
Adjustment to reconcile operating loss to net cash provided (used) by operating activities:		
Bad debt expense (recoveries), net	(8,849)	11,726
Decrease in accrued interest receivable	943	2,288
Increase in notes receivable	(42,627)	(80,881)
Increase (decrease) in accounts payable	(225,673)	215,096
Increase (decrease) in unearned revenue	(88,813)	9,419
	<u>(871,124)</u>	<u>13,730</u>
Net cash provided (used) by operating activities	<u>\$ (871,124)</u>	<u>\$ 13,730</u>
Cash and cash equivalents is comprised of the following accounts on the Statement of Net Position:		
Cash and cash equivalents	\$ 1,149,455	\$ 1,682,008
Cash and cash equivalents - restricted	88,490	160,032
Total	<u>\$ 1,237,945</u>	<u>\$ 1,842,040</u>

See accompanying notes to financial statements.

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**WYOMING COUNTY BUSINESS ASSISTANCE CORPORATION
(A COMPONENT UNIT OF WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY)
NOTES TO FINANCIAL STATEMENTS**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Wyoming County Business Assistance Corporation (the Loan Corporation) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Loan Corporation's accounting policies are described below.

A. REPORTING ENTITY

On May 14, 2009 the Wyoming County Business Assistance Corporation, a not-for-profit, local development corporation was formed under Section 1411 of the Not-For-Profit Corporation Law of the State of New York. The Loan Corporation was formed for the sole purpose of managing business loan funds on behalf of the Wyoming County Industrial Development Agency (Agency) and both the Agency and the Loan Corporation share the same governing board. The Loan Corporation is a corporation as defined in subparagraph (a)(5) of Section 102 of the Not-For-Profit Corporation Law of the State of New York and it is the policy of the Loan Corporation to comply at all times with the provisions of New York State General Municipal Law section 18A, New York State Public Authorities Accountability Act and all local laws duly established by the County of Wyoming and any town or village within Wyoming County as deemed relevant to the operations of the Loan Corporation.

For financial reporting purposes the Loan Corporation is considered by management to be a blended component unit of the Agency.

The Agency provides certain administrative services to the Loan Corporation. The Loan Corporation made a payment to the Agency for these services in the amount of \$75,000 and \$67,500 for years ended December 31, 2020 and 2019, respectively.

B. BASIS OF PRESENTATION

The Loan Corporation distinguishes operating revenues and expenses from nonoperating items. Revenues from grants, interest on loans, and administrative fees are reported as operating revenues. All expenses related to operating the Loan Corporation are reported as operating expenses.

When both restricted and unrestricted resources are available for use, it is the Loan Corporation's policy to use restricted resources first, then unrestricted resources, as they are needed.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The financial statements of the Loan Corporation are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the Loan Corporation gives or receives value without directly receiving or giving equal value in exchange, includes grants. Revenue from grants is recognized in the fiscal year in which all eligibility requirements have been satisfied.

D. INCOME TAXES

The Loan Corporation is exempt from federal income tax under Internal Revenue Code Section 501(C)3, and the income realized will not be subject to New York State corporate franchise tax.

E. NOTES RECEIVABLE

Notes receivable are presented net of an allowance for uncollectible accounts. The Loan Corporation maintains an allowance for estimated uncollectible accounts based on management's analysis of the potential collectability of the individual loans. Notes are written off when, in management's judgment, no legal recourse is available to collect the amount owed.

**WYOMING COUNTY BUSINESS ASSISTANCE CORPORATION
(A COMPONENT UNIT OF WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY)
NOTES TO FINANCIAL STATEMENTS**

F. INSURANCE

The Loan Corporation is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, personal injury liability, and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. Settled claims from these risks have not yet exceeded commercial insurance coverage.

G. UNEARNED REVENUE

The Loan Corporation reports unearned revenue on its Statements of Net Position. Unearned revenue arises when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. Unearned revenue also arises when resources are received by the Loan Corporation before it has legal claim to them. In subsequent periods, when both recognition criteria are met, or when the Loan Corporation has legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized. As of December 31, 2020 and 2019, the Loan Corporation recognized a liability for unearned revenue in the amount of \$374,173 and \$462,986, respectively.

H. NET POSITION

Equity is classified as net position and displayed in two components:

- a. Restricted - Consists of net positions with constraints on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted - All other net positions that do not meet the definition of "restricted".

I. STATEMENTS OF CASH FLOWS

For the purposes of the Statements of Cash Flows, the Loan Corporation considers all cash and cash equivalents to include both unrestricted and restricted including demand accounts and certificates of deposit with an original maturity of generally three months or less.

J. USE OF ESTIMATES IN PREPARATION OF FINANCIAL STATEMENTS

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. This affects the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

K. ACCOUNTING PRONOUNCEMENTS

On May 8, 2020, the GASB issued Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance* in response to the COVID-19 pandemic. The effective dates of GASB Statements not yet implemented by the Loan Corporation have been updated below to reflect the impact of this Statement. There were no new GASB Statements implemented by the Loan Corporation for the year ended December 31, 2020.

The following are GASB Statements that have been issued recently and are currently being evaluated, by the Center, for their potential impact in future years.

- Statement No. 87, *Leases*, which will be effective for the year ending December 31, 2022.
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which will be effective for the year ending December 31, 2021.
- Statement No. 91, *Conduit Debt Obligations*, which will be effective for the year ending December 31, 2022.
- Statement No. 92, *Omnibus 2020*, which will be effective for the year ending December 31, 2022.
- Statement No. 93, *Replacement of Interbank Offered Rates*, which will be effective for the year ending December 31, 2021, except for paragraph 11b, which will be effective for the year ending December 31, 2022.

**WYOMING COUNTY BUSINESS ASSISTANCE CORPORATION
(A COMPONENT UNIT OF WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY)
NOTES TO FINANCIAL STATEMENTS**

- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which will be effective for the year ending December 31, 2023.
- Statement No. 96, *Subscription-Based Information Technology Arrangements*, which will be effective for the year ending December 31, 2023.
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-an amendment of GASB Statements No. 14 and 84, and a supersession of GASB Statement No. 32*, which will be effective for the year ending December 31, 2022.

NOTE 2. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

A. ASSETS

1. CASH, CASH EQUIVALENTS AND INVESTMENTS

The Loan Corporation’s cash and cash equivalents consists of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

The Loan Corporation’s investments with a maturity of less than one year when purchased, certificates of deposit, are stated at amortized cost.

The Loan Corporation's investment policies are governed by State statutes. In addition, the Loan Corporation has its own written investment policy. Loan Corporation monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The Loan Corporation’s Operations Director is authorized to use interest bearing demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, repurchase agreements and obligations of the State of New York and its localities.

Collateral is required for demand deposits and certificates of deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

As of December 31, 2020 and 2019, the Loan Corporation’s bank deposits were considered fully collateralized.

Restricted cash represents cash and cash equivalents where use is limited by legal requirements. These assets represent amounts required by statute to be reserved for various purposes. Restricted cash as of year-end consists of the following:

	<u>2020</u>	<u>2019</u>
GAIN Revolving Loan Program	\$ <u>88,490</u>	\$ <u>160,032</u>
Total restricted cash	\$ <u><u>88,490</u></u>	\$ <u><u>160,032</u></u>

Investment and Deposit Policy

The Loan Corporation follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conformance with federal, state and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of the Executive Director.

Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. The Loan Corporation’s investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**WYOMING COUNTY BUSINESS ASSISTANCE CORPORATION
(A COMPONENT UNIT OF WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY)
NOTES TO FINANCIAL STATEMENTS**

Credit Risk

The Loan Corporation’s policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. The Loan Corporation’s investment and deposit policy authorizes the reporting entity to purchase the following types of investments:

- Interest bearing demand accounts.
- Certificates of deposit.
- Obligations of the United States Treasury and United States agencies.
- Obligations of New York State and its localities.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with the Loan Corporation’s investment and deposit policy, all deposits of the Loan Corporation including interest bearing demand accounts and certificates of deposit, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act (FDIC) shall be secured by a pledge of securities with an aggregate value equal to 100% of the aggregate amount of deposits.

The Loan Corporation restricts the securities to the following eligible items:

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and United States agencies.
- Obligations issued or fully insured or guaranteed by New York State and its localities.
- Obligations issued by other than New York State rated in one of the three highest rating categories by at least one nationally recognized statistical rating organizations.

Fair Value of Investments

The Loan Corporation measures and records its investments using fair value measurement guidelines established by U.S. GAAP. These guidelines recognize a three-tiered fair value hierarchy as follows:

Level 1: Quoted process for identical investments in active markets

Level 2: Observable inputs other than those in Level 1

Level 3: Unobservable inputs

The Loan Corporation’s *certificates of deposit* amounted to \$250,000 and \$509,097 as of December 31, 2020 and 2019, respectively. Each maturity length was less than one year and classified as level 1 on the fair value hierarchy.

2. WYOMING COUNTY AND OTHER GRANT REVENUE

Wyoming County and other grant revenue consists of the following for the year ended December 31:

	<u>2020</u>	<u>2019</u>
Growing the Agricultural Industry Now! (GAIN) Revolving Loan Program	\$ 75,983	\$ 63,879
Other	<u>16,030</u>	<u>39,699</u>
Total	<u>\$ 92,013</u>	<u>\$ 103,578</u>

**WYOMING COUNTY BUSINESS ASSISTANCE CORPORATION
(A COMPONENT UNIT OF WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY)
NOTES TO FINANCIAL STATEMENTS**

3. NOTES RECEIVABLE

The Loan Corporation provides low-interest notes to businesses located in Wyoming County in order to encourage economic development. Notes receivable consisted of the following at December 31:

	<u>2020</u>	<u>2019</u>
Total notes receivable	\$ 2,492,900	\$ 2,450,273
Less: allowance for uncollectible notes	<u>101,248</u>	<u>110,097</u>
Notes receivable, net	2,391,652	2,340,176
Less: current maturities	<u>414,264</u>	<u>532,419</u>
Notes receivable - long-term	<u>\$ 1,977,388</u>	<u>\$ 1,807,757</u>

The Loan Corporation’s policy is to present notes receivable net of an allowance for uncollectible notes. At December 31, 2020 and 2019, the allowance for uncollectible notes was \$101,248 and \$110,097, respectively.

At December 31, 2020, the loans awarded to local businesses bear interest at rates ranging from 0% to 6.00% with varying payment terms. All notes receivable are collateralized by assets of the respective lenders.

Scheduled maturities of principal for these notes for the next five years and thereafter are as follows:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 414,264	\$ 69,112
2022	285,083	57,955
2023	304,309	48,205
2024	286,713	36,780
2025	191,565	29,159
Thereafter	<u>1,010,966</u>	<u>78,530</u>
Total	<u>\$ 2,492,900</u>	<u>\$ 319,741</u>

NOTE 3. NET POSITION

In 2018, management received communication from the New York State Office of Community Renewal (OCR) in regards to Community Development Block Grant (CDBG) Regulations Section 24 CFR 570.489(e)(2)(ii), which is the regulatory citation over the Loan Corporation’s Micro HUD loan program, requiring all CDBG related funds as of May 31, 2018 be reported to OCR. If such funds were not committed and approved by OCR as of March 31, 2019 they were required to be returned to OCR by April 30, 2019. As of March 31, 2020, the funds were committed and approved by OCR to be used as a grant to an approved project. As a result, as of December 31, 2019, \$551,487 of previously restricted program funds were reclassified as unrestricted and the remaining funds were expended as of December 31, 2020.

Unrestricted net position represents amounts designated by the Loan Corporation’s Board for the maintenance of a revolving loan program.

**WYOMING COUNTY BUSINESS ASSISTANCE CORPORATION
 (A COMPONENT UNIT OF WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY)
 NOTES TO FINANCIAL STATEMENTS**

The Loan Corporation received pass-through Growing the Agriculture Industry Now! (GAIN) grant funds from Genesee/Finger lakes Regional Planning Council in 2016. Under the provisions of the grant, annual revenues are restricted to the GAIN revolving loan program. Repayments to date amounted to \$238,490 at December 31, 2020, however the Loan Corporation issued a new GAIN loan during the year ended December 31, 2020 in the amount of \$150,000, which reduced restricted net position. Restricted net position consisted of the following at December 31:

	<u>2020</u>		<u>2019</u>
GAIN Revolving Loan Program	\$ 88,490	\$	160,032
Total restricted net position	<u>\$ 88,490</u>	<u>\$</u>	<u>160,032</u>

NOTE 4. CONTINGENCIES

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The Loan Corporation's management has assessed these events and the impact of these restrictions and closures related to the Loan Corporation's operations. As of the date of these financial statements and as these events continue to unfold, management believes there will be no additional impact.

NOTE 5. SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 22, 2021, which is the date the financial statements are available for issuance, and have determined there are no subsequent events that require disclosure under generally accepted accounting principles.



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Wyoming County Business Assistance Corporation

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Wyoming County Business Assistance Corporation (the Loan Corporation), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Loan Corporation's basic financial statements, and have issued our report thereon dated March 22, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Loan Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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 Loan Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Loan Corporation'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. 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.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Loan Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Loan Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Loan Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Freed Maxick CPAs, P.C.

Batavia, New York

March 22, 2021



INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Directors of the
Wyoming County Business Assistance Corporation
36 Center Street, Suite D
Warsaw, New York 14569

We have examined Wyoming County Business Assistance Corporation's (the Loan Corporation) 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 period of January 1, 2020, through December 31, 2020. Management of the Loan Corporation is responsible for the Loan Corporation's compliance with the specified requirements. Our responsibility is to express an opinion on the Loan Corporation's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Loan Corporation complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Loan Corporation complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Loan Corporation's compliance with specified requirements.

In our opinion, the Loan Corporation complied, in all material respects, with the Investment Guidelines during the period of January 1, 2020, through December 31, 2020.

This report is intended solely for the information and use of the Board of Directors, management, others within the Loan Corporation and the New York State Authorities Budget Office and is not intended to be and should not be used by anyone other than these specified parties.

Freed Maxick CPAs, P.C.

Batavia, New York
March 22, 2021