

**AUDITED
FINANCIAL STATEMENTS**

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

DECEMBER 31, 2021

**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 Audit of the Financial Statements

Opinion

We have audited the 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, 2021 and 2020, 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.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Loan Corporation as of December 31, 2021 and 2020, and the changes in financial position, and, its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Loan Corporation, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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 and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Loan Corporation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Loan Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during our audit.

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, 2022 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, 2022

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

	<u>2021</u>	<u>2020</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,456,144	\$ 1,149,455
Cash and cash equivalents - restricted	29,562	88,490
Certificates of deposit	251,773	250,000
Accounts receivable	4,875	4,875
Accrued interest receivable	410	2,923
Notes receivable, current portion	418,495	414,264
	<u>2,161,259</u>	<u>1,910,007</u>
Noncurrent assets:		
Notes receivable, net	1,694,801	1,977,388
	<u>3,856,060</u>	<u>3,887,395</u>
LIABILITIES		
Accounts payable	938	-
Unearned revenue	293,992	374,173
	<u>294,930</u>	<u>374,173</u>
NET POSITION		
Restricted	29,562	88,490
Unrestricted	3,531,568	3,424,732
	<u>3,561,130</u>	<u>3,513,222</u>
Total net position	\$ <u>3,561,130</u>	\$ <u>3,513,222</u>

See accompanying notes to the 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>2021</u>	<u>2020</u>
Operating revenues:		
Fees and penalties	\$ 1,600	\$ 400
Grant revenue	83,381	92,013
Interest income on notes receivable	63,415	40,483
Recovery of bad debt	7,678	10,083
Total operating revenues	<u>156,074</u>	<u>142,979</u>
Operating expenses:		
Management and general:		
Administration fee	75,000	75,000
Professional services	11,816	10,772
Program services:		
Grant expenses	4,943	560,197
Professional services	12,065	1,881
Bad debt expense	7,096	1,234
Total operating expenses	<u>110,920</u>	<u>649,084</u>
Operating income (loss)	45,154	(506,105)
Nonoperating revenues:		
Interest income	2,754	7,932
Total nonoperating revenues	<u>2,754</u>	<u>7,932</u>
Change in net position	47,908	(498,173)
Net position - beginning of year	<u>3,513,222</u>	<u>4,011,395</u>
Net position - end of year	\$ <u>3,561,130</u>	\$ <u>3,513,222</u>

See accompanying notes to the 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>2021</u>	<u>2020</u>
Cash flows from operating activities		
Receipts from providing services	\$ 3,200	\$ 3,200
Interest income on notes receivable	65,928	41,426
Repayments of notes receivable	628,938	207,373
Receipts from penalties and fees	1,600	400
Issuance of notes receivable	(350,000)	(250,000)
Payments to service providers and suppliers	(22,943)	(238,326)
Payments for grant services and administration	(79,943)	(635,197)
	<u>246,780</u>	<u>(871,124)</u>
Net cash provided (used) by operating activities	246,780	(871,124)
Cash flows from investing activities		
Interest income	2,754	7,932
Proceeds from certificates of deposit	250,000	509,097
Purchase of certificates of deposit	(251,773)	(250,000)
	<u>981</u>	<u>267,029</u>
Net cash provided by investing activities	981	267,029
Net increase (decrease) in cash and cash equivalents	247,761	(604,095)
Cash and cash equivalents - beginning of year	<u>1,237,945</u>	<u>1,842,040</u>
Cash and cash equivalents - end of year	<u>\$ 1,485,706</u>	<u>\$ 1,237,945</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 45,154	\$ (506,105)
Adjustment to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Decrease in accrued interest receivable	2,513	943
(Increase) decrease in notes receivable	278,356	(51,476)
Increase (decrease) in accounts payable	938	(225,673)
Decrease in unearned revenue	(80,181)	(88,813)
	<u>246,780</u>	<u>(871,124)</u>
Net cash provided (used) by operating activities	<u>\$ 246,780</u>	<u>\$ (871,124)</u>
Reconciliation of unrestricted and restricted cash and cash equivalents:		
Cash and cash equivalents	\$ 1,456,144	\$ 1,149,455
Cash and cash equivalents - restricted	29,562	88,490
Total	<u>\$ 1,485,706</u>	<u>\$ 1,237,945</u>

See accompanying notes to the financial statements

**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 for years ended December 31, 2021 and 2020.

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, 2021 and 2020, the Loan Corporation recognized a liability for unearned revenue in the amount of \$293,992 and \$374,173, 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

The Loan Corporation has evaluated the provisions of GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period* and GASB Statement No. 98, *The Annual Comprehensive Financial Report*, which became effective for the fiscal year ended December 31, 2021, and determined that they have no significant impact on the Loan Corporation's financial statements.

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

- Statement No. 87, *Leases*, which will be effective for the year ending December 31, 2022.
- 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*, is 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, 2021 and 2020, 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 for the years ended December 31:

	<u>2021</u>	<u>2020</u>
GAIN Revolving Loan Program	\$ <u>29,562</u>	\$ <u>88,490</u>
Total restricted cash and cash equivalents	\$ <u><u>29,562</u></u>	\$ <u><u>88,490</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.

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

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.

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 \$251,773 and \$250,000 as of December 31, 2021 and 2020, respectively. Each maturity length was less than one year and classified as level 1 on the fair value hierarchy.

2. GRANT REVENUE

Grant revenue consists of the following for the years ended December 31:

	<u>2021</u>	<u>2020</u>
Growing the Agricultural Industry Now! (GAIN) Revolving Loan Program	\$ 76,714	\$ 75,983
Other	<u>6,667</u>	<u>16,030</u>
Total grant revenue	<u>\$ 83,381</u>	<u>\$ 92,013</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>2021</u>	<u>2020</u>
Total notes receivable	\$ 2,213,962	\$ 2,492,900
Less: allowance for uncollectible notes	<u>100,666</u>	<u>101,248</u>
Notes receivable, net	2,113,296	2,391,652
Less: current maturities	<u>418,495</u>	<u>414,264</u>
Notes receivable - long-term	<u>\$ 1,694,801</u>	<u>\$ 1,977,388</u>

The Loan Corporation’s policy is to present notes receivable net of an allowance for uncollectible notes. At December 31, 2021 and 2020, the allowance for uncollectible notes was \$100,666 and \$101,248, respectively.

At December 31, 2021, 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>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 418,495	\$ 54,557
2023	287,470	45,532
2024	196,755	38,532
2025	194,140	32,437
2026	170,481	26,646
Thereafter	<u>946,621</u>	<u>86,665</u>
Total	<u>\$ 2,213,962</u>	<u>\$ 284,369</u>

NOTE 3. NET POSITION

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**

Restricted net position represents the Growing the Agriculture Industry Now! (GAIN) grant funds. The Loan Corporation received pass-through 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 \$329,562 at December 31, 2021, however the Loan Corporation issuances to date amount to \$300,000 at December 31, 2021, which reduced restricted net position. Restricted net position consisted of the following as of December 31:

	<u>2021</u>		<u>2020</u>
GAIN Revolving Loan Program	\$ 29,562	\$	88,490
Total restricted net position	<u>\$ 29,562</u>	<u>\$</u>	<u>88,490</u>

NOTE 5. SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 22, 2022, 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, 2021, 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, 2022.

Report on 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) as a basis for designing 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.

Report on 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, 2022