

**AUDITED  
FINANCIAL STATEMENTS**

**WYOMING COUNTY  
INDUSTRIAL DEVELOPMENT AGENCY  
(A COMPONENT UNIT OF WYOMING COUNTY, NEW YORK)**

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**DECEMBER 31, 2019**

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**WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
(A COMPONENT UNIT OF WYOMING COUNTY, NEW YORK)**

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**FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the  
Wyoming County Industrial Development Agency  
Perry, New York 14530

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Wyoming County Industrial Development Agency (the Agency), a component unit of Wyoming County, New York, as of and for the years ended December 31, 2019 and 2018, and the related notes to the 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 Agency'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 Agency'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 Agency as of December 31, 2019 and 2018, 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*

Accounting principles generally accepted in the United States of America require that the schedule of the Agency's proportionate share of net pension liability and the schedule of the Agency's pension contributions, as listed on the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board* who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the *Governmental Accounting Standards Board* who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational economic, or historical context. Our opinion on the basic financial statements are not affected by this missing information.

### *Supplemental Information*

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Agency's basic financial statements. The accompanying supplementary information, as listed on the table of contents, is presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information, as listed on the table of contents, is fairly stated in all material respects in relation to the financial statements taken as a whole.

The Schedule of Industrial Revenue Bonds and the Schedule of Industrial Revenue Leases issued by the Agency have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2020, on our consideration of the Agency'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 Agency'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 Agency's internal control over financial reporting and compliance.

*Freed Maxick CPAs, P.C.*

Batavia, New York  
March 16, 2020



**WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
(A COMPONENT UNIT OF WYOMING COUNTY, NEW YORK)  
STATEMENTS OF NET POSITION  
DECEMBER 31,**

	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 3,068,468	\$ 3,691,925
Certificates of deposit	1,391,156	407,574
Investments - US Treasuries	719,700	1,067,697
Accounts receivable	41,015	74,920
Grants receivable	-	38,653
Accrued interest receivable	3,866	6,154
Notes receivable, net	532,419	540,712
Prepaid expense	6,979	6,243
Total current assets	<u>5,763,603</u>	<u>5,833,878</u>
<b>Property and equipment, net</b>		
Office equipment	<u>378</u>	<u>524</u>
<b>Noncurrent assets:</b>		
Notes receivable, net	1,807,757	1,730,309
Land held for investment	281,222	281,222
Total noncurrent assets	<u>2,088,979</u>	<u>2,011,531</u>
Total assets	<u>7,852,960</u>	<u>7,845,933</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred pension outflows	<u>126,365</u>	<u>155,290</u>
Total deferred outflows of resources	<u>126,365</u>	<u>155,290</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable	227,775	13,719
Unearned revenue	462,986	453,567
Total current liabilities	<u>690,761</u>	<u>467,286</u>
<b>Noncurrent liabilities</b>		
Net pension liability	<u>42,116</u>	<u>12,836</u>
Total current liabilities	<u>42,116</u>	<u>12,836</u>
Total liabilities	<u>732,877</u>	<u>480,122</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred pension inflows	<u>16,119</u>	<u>44,308</u>
Total deferred inflows of resources	<u>16,119</u>	<u>44,308</u>
<b>NET POSITION</b>		
Investment in capital assets	378	524
Restricted	160,032	909,300
Unrestricted	7,069,919	6,566,969
Total net position	<u>\$ 7,230,329</u>	<u>\$ 7,476,793</u>

See notes to basic financial statements

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

	<u>2019</u>	<u>2018</u>
<b>Operating revenues:</b>		
Fees and penalties	\$ 306,082	\$ 68,935
Grant revenue	103,578	819,355
Interest income on notes receivable	73,597	73,401
Recovery of bad debt	5,214	3,330
Rental income	1,440	1,560
Total operating revenues	<u>489,911</u>	<u>966,581</u>
<b>Operating expenses:</b>		
Grant expense	239,178	411,394
Bad debt expense	16,940	72,758
Conferences and training	12,364	12,604
Depreciation	146	201
Insurance	8,145	1,857
Lease/rent	72,923	72,923
Marketing	39,553	46,033
Meetings and dinners	373	341
Memberships and publications	5,205	4,364
Office expense and printing	6,455	8,048
Professional fees	33,076	44,742
Professional services	27,484	35,720
Rail initiative	12,780	383,738
Salaries and benefits	304,539	263,725
Subcontractors	5,769	10,520
Travel	4,485	4,865
Total operating expenses	<u>789,415</u>	<u>1,373,833</u>
Operating loss	(299,504)	(407,252)
<b>Nonoperating revenues:</b>		
Interest income	53,040	23,960
Recovery of prior year expenditure - pension	-	71,653
Total nonoperating revenues	<u>53,040</u>	<u>95,613</u>
Change in net position	(246,464)	(311,639)
<b>Net position - beginning of year</b>	<u>7,476,793</u>	<u>7,788,432</u>
<b>Net position - end of year</b>	<u>\$ 7,230,329</u>	<u>\$ 7,476,793</u>

**WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
(A COMPONENT UNIT OF WYOMING COUNTY, NEW YORK)  
STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31,**

	<u>2019</u>	<u>2018</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from providing services	\$ 483,972	\$ 755,650
Interest income on notes receivable	75,885	69,729
Repayments of notes receivable	305,119	618,496
Receipts from penalties and fees	9,105	3,500
Issuance of notes receivable	(386,000)	(290,000)
Payments to service providers and suppliers	(173,386)	(692,372)
Payments for grant services and administration	(81,375)	(411,394)
Payments for employee services	(274,232)	(372,646)
Net cash used by operating activities	<u>(40,912)</u>	<u>(319,037)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest income	53,040	25,440
Purchase of US Treasuries	347,997	(1,067,697)
Sale of certificate of deposit, net	(983,582)	212,968
Net cash used by investing activities	<u>(582,545)</u>	<u>(829,289)</u>
<b>Net decrease in cash and cash equivalents</b>	<b>(623,457)</b>	<b>(1,148,326)</b>
<b>Cash and cash equivalents - beginning of year</b>	<b><u>3,691,925</u></b>	<b><u>4,840,251</u></b>
<b>Cash and cash equivalents - end of year</b>	<b>\$ <u>3,068,468</u></b>	<b>\$ <u>3,691,925</u></b>
<b>Reconciliation of operating loss to net cash used by operating activities:</b>		
Operating loss	\$ (299,504)	\$ (407,252)
Adjustment to reconcile operating loss to net cash used by operating activities:		
Depreciation expense	146	201
Bad debt expense, net of recoveries	11,726	69,428
Pension expense	30,016	(111,124)
Change in assets and liabilities:		
Decrease (increase) in:		
Accounts receivable	33,905	18,566
Due from other governments	38,653	-
Accrued interest receivable	2,288	(38,653)
Due from other governments		
Prepaid expense	(736)	(3,672)
Wind farm receivable	-	2,203
Notes receivable	(80,881)	328,496
Increase (decrease) in:		
Accounts payable	214,056	(66,617)
Unearned revenue	9,419	(110,613)
Due to retirement system	-	-
Net cash used by operating activities	<u>\$ (40,912)</u>	<u>\$ (319,037)</u>

See notes to basic financial statements

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**WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
(A COMPONENT UNIT OF WYOMING COUNTY, NEW YORK)  
NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Wyoming County Industrial Development Agency (the Agency) 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.

**A. REPORTING ENTITY**

**PRIMARY GOVERNMENT**

The Wyoming County Industrial Development Agency (the Agency) was created in 1974 by the Wyoming County Board of Supervisors and a special act of the New York State Legislature to facilitate economic development in the County. The Agency is a discretely presented component unit of Wyoming County.

**COMPONENT UNIT**

In conformity with accounting principles generally accepted in the United States of America, the financial statements of the Wyoming County Business Assistance Corporation, the only component unit, has been included in the financial reporting entity as a blended component unit. The blended component unit's balances are reported in the same manner as the primary government and are combined into one primary government column. This is due to the fact the component unit is so intertwined with the primary government that they are substantially the same entity.

The Wyoming County Business Assistance Corporation (the Loan Corporation) was established on May 14, 2009 by the Agency under section 1411 of the Not-For-Profit Corporation Law of the State of New York. The sole purpose of the Loan Corporation is to manage business loan funds on behalf of the Agency and is a corporation as defined in sub paragraph (a) (5) of section 102 of the Not-For-Profit Corporation Law of the State of New York.

**B. BASIS OF PRESENTATION**

The Agency 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 Agency are reported as expenses.

When both restricted and unrestricted resources are available for use, it is the Agency'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 Agency 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 Agency 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 Agency is a quasi-governmental organization. The Agency is not subject to federal or state income taxes, nor is it required to file federal or state income tax returns, therefore, no provision for income taxes is reflected in these financial statements.

**WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
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NOTES TO FINANCIAL STATEMENTS**

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**E. CASH AND CASH EQUIVALENTS**

The Agency's cash and cash equivalents consists of cash on hand, demand deposits, and certificate of deposits with original maturities of three months or less from date of acquisition. Investments consist of certificates of deposit with maturities in excess of three months, Federal Government Obligations and United States Treasury Bills.

**F. RECEIVABLES**

Receivables are reported at their net realizable value. Generally accepted accounting principles require the establishment of an allowance for doubtful accounts. No allowance for uncollectible receivables have been provided since management believes that such allowance would not be necessary.

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

**G. PROPERTY AND EQUIPMENT**

Property and equipment is recorded at acquisition cost and depreciated over the estimated useful lives of the respective assets using the straight-line method. The cost of repairs, maintenance and minor replacements are expensed as incurred, whereas expenditures that materially extend property lives are capitalized. When depreciable property is retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any gain or loss is reflected in income. For the years ended December 31, 2019 and 2018 depreciation expense amounted to \$146 and \$201, respectively.

**H. INSURANCE**

The Agency 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 exceeded commercial insurance coverage for the past three fiscal years.

**I. DEFERRED OUTFLOWS/INFLOWS OF RESOURCES**

In addition to assets, the Statements of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Agency has one item that qualifies for reporting in this category. This item is related to pensions and is reported in the Statements of Net Position. It represents the effect of the net change in the Agency's proportion of the collective net pension liability and the difference during the measurement period between the Agency's contributions and its proportional share of total contributions to the pension system not included in pension expense. Also included are the Agency's contributions to the pension system subsequent to the measurement date. See details of deferred pension outflows in Note 2.B.

In addition to liabilities, the Statements of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Agency has one item that qualifies for reporting in this category. This item is related to pensions and is reported in the Statements of Net Position. It represents the effect of the net change in the Agency's proportion of the collective net pension liability and difference during the measurement periods between the Agency's contributions and its proportional share of total contributions to the pension system not included in pensions expense. See details of deferred pension inflows in Note 2.B

**WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
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NOTES TO FINANCIAL STATEMENTS**

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**J. UNEARNED REVENUE**

The Agency and the Loan Corporation report unearned revenue in its Statements of Net Position. Unearned revenue arises when 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 Agency and the Loan Corporation before it has legal claim to them. In subsequent periods, when both recognition criteria are met, or when the Agency or the Loan Corporation has legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized. The Agency had no unearned revenue as of December 31, 2019 and 2018. As of December 31, 2019, and 2018 the Loan Corporation recognized a liability for unearned revenue in the amount of \$462,986 and \$453,567, respectively.

**K. NET POSITION**

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

- a. Investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation.
- b. Restricted net position - Consists of net position 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.
- c. Unrestricted net position - All other net position that does not meet the definition of "restricted" or "invested in capital assets."

**L. REVENUE RECOGNITION**

Operating revenue consists of revenue from fees earned on lease-leaseback transactions and management services provided for the Loan Corporation by the Agency, along with interest received from bank accounts, and rental property. The Agency earns its fees primarily from lease agreements, which are based on 1% of the total project cost as indicated in the original lease application. Fee income is recorded as revenue when the agreement is finalized, regardless of when the related cash is received.

**M. STATEMENT OF CASH FLOWS**

For the purposes of the statements of cash flows, the Agency and Loan Corporation considers all cash and cash equivalents to be unrestricted including demand accounts and certificates of deposit with an original maturity of three months or less.

**N. 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, liabilities deferred outflow/inflow of resources 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.

**O. ACCOUNTING PRONOUNCEMENTS**

The Agency has evaluated the provisions of GASB Statement No. 83, *Certain Asset Retirement Obligations*, Statement No. 84, *Fiduciary Activities*, Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowing and Direct Placements*, and Statement No. 90, *Majority Equity Interests-an Amendment of GASB Statements No. 14 and 61*, which became effective for the fiscal year ended December 31, 2019, and determined that they have no significant impact on the Agency's financial statements.

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

- Statement No. 87, *Leases*, which will be effective for the year ending December 31, 2020.

**WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
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NOTES TO FINANCIAL STATEMENTS**

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- 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, 2020.
- Statement No. 91, *Conduit Debt Obligations*, which will be effective for the year ending December 31, 2021.

**NOTE 2. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS**

**A. ASSETS**

**1. CASH AND INVESTMENTS**

The Agency's investment policies are governed by State statutes. In addition, the Agency has its own written investment policy. Agency monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The Executive 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, 2019 and 2018, the Agency's bank deposits were considered fully collateralized under FDIC provisions.

Investment and Deposit Policy

The Agency 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 Agency'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 Agency'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 Agency'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 Agency's investment and deposit policy, all deposits of the Agency 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 Agency 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.



**WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
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Investments

The Agency was also invested in Federal Government Obligations and United States Treasury Bills as of December 31, 2019. The Agency was not exposed to any interest rate risk or credit risk for these investments at December 31, 2019, as these are obligations of the U.S. Government, and are guaranteed by the U.S. Government. These investments were short term, maturing in less than one year, and are reported at amortized cost, as allowed by GASB Statement No. 31.

	<u>Principal</u>	<u>Rate</u>	<u>Maturity</u>
ICS Promontory	\$ 9,908	1.55%	N/A*
United States Treasury Bill	358,298	1.50%	7/15/2020
United States Treasury Bill	<u>351,494</u>	1.55%	1/2/2020
Totals	<u>\$ 719,700</u>		

\*Reported as a cash equivalent.

The Agency also has \$1,391,156 and 407,574 invested in certificates of deposit as of December 31, 2019 and 2018, respectively. These certificates of deposit have with original maturity dates in excess of three months.

**2. WYOMING COUNTY AND OTHER GRANT REVENUE**

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

	<u>2019</u>	<u>2018</u>
Growing the Agricultural Industry Now! (GAIN) Revolving Loan Program	\$ 63,879	\$ 53,855
New York State - Rail initiative	-	730,779
Other	<u>39,699</u>	<u>34,721</u>
Total	<u>\$ 103,578</u>	<u>\$ 819,355</u>

**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>2019</u>	<u>2018</u>
Total notes receivable	\$ 2,450,273	\$ 2,495,642
Less: allowance for uncollectible notes	<u>110,097</u>	<u>224,621</u>
Notes receivable, net	2,340,176	2,271,021
Less: current maturities	<u>532,419</u>	<u>540,712</u>
Notes receivable - long-term	<u>\$ 1,807,757</u>	<u>\$ 1,730,309</u>

The Loan Corporation's policy is to present notes receivable net of an allowance for uncollectible notes. At December 31, 2019 and 2018, the allowance for uncollectible notes was \$110,097 and \$224,621, respectively.

At December 31, 2019, 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 loanees.

**WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
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NOTES TO FINANCIAL STATEMENTS**

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2020	\$ 532,419	\$ 77,693
2021	268,796	70,602
2022	322,221	55,392
2023	272,836	47,324
2024	162,984	34,017
Thereafter	891,017	87,107
Total	\$ <u>2,450,273</u>	\$ <u>372,135</u>

**B. PENSION OBLIGATIONS**

***New York State and Local Employees' Retirement System (the System)***

Plan Description

The Agency participates in the New York State and Local Employees' Retirement System (ERS), which is referred to as New York State and Local Retirement System (the System). This is a cost-sharing multiple-employer defined benefit retirement system. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in fiduciary net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. System benefits are established under the provisions of the New York State Retirement and Social Security Law (NYSRSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Agency also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance.

The System is included in the State's financial report as a pension trust fund. That report, including information with regard to benefit's provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://www.osc.state.ny.us/retire/publications/index.php) or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

Funding Policy

The System is noncontributory, except for employees who joined after July 27, 1976 who contribute three percent (3%) of their salary for the first ten years of membership, and employees who joined on or after January 10, 2010, who generally contribute three percent (3%) to three and one half percent (3.5%) of their salary for their entire length of service. In addition, employee contribution rates under Tier VI vary based on a sliding salary scale. The Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the system's fiscal year ending March 31<sup>st</sup>.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2019, the Agency reported the following liability for its proportionate share of the net pension liability to the System. The net pension liability was measured as of March 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of April 1, 2018. The Agency's proportion of the net pension liability was based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS System in reports provided to the Agency.

**WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
(A COMPONENT UNIT OF WYOMING COUNTY, NEW YORK)  
NOTES TO FINANCIAL STATEMENTS**

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	<u>ERS</u>
Measurement date	03/31/19
Net pension liability	\$ 42,116
Agency's portion of the Plan's total net pension liability	0.0005944 %
Change in proportion since the prior measurement date	0.0001967
Pension expense at December 31, 2019	\$ 55,604

At December 31, 2019, the Agency's reported deferred outflows of resources and deferred inflows of resources related to pensions arose from the following sources:

	<u>Deferred Outflows of Resources ERS</u>	<u>Deferred Inflows of Resources ERS</u>
Differences between expected and actual experience	\$ 8,294	\$ 2,827
Change of assumptions	10,586	-
Net difference between projected and actual earnings on pension plan investments	-	10,809
Changes in proportion and differences between the Agency's contributions and proportionate share of contributions	88,139	2,483
Agency's contributions subsequent to the measurement date	<u>19,346</u>	<u>-</u>
Total	<u>\$ 126,365</u>	<u>\$ 16,119</u>

Agency contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

	<u>ERS</u>
<u>Year ended March 31:</u>	
2020	\$ 36,739
2021	19,710
2022	26,293
2023	8,158
2024	-
Thereafter	-

**WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
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NOTES TO FINANCIAL STATEMENTS**

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Actuarial Assumptions

The total pension liability as of the March 31, 2019 was determined by using an actuarial valuation as of April 1, 2018, with update procedures used to roll forward the total pension liability to March 31, 2019. The actuarial valuation used the following actuarial assumptions:

	<u>ERS</u>
Inflation	2.5 %
Salary increases	3.8
Investment rate of return (net of investment expense, including inflation)	7.0
Cost of living adjustments	1.3

Annuitant mortality rates are based on April 1, 2010 – March 31, 2015 System’s experience with adjustments for mortality improvements based on the Society of Actuaries’ Scale MP-2014. The actuarial assumptions used in the April 1, 2016 valuation are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2019 are summarized below:

	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Asset Class:		
Domestic equity	36.0 %	4.6 %
International equity	14.0	6.4
Private equity	10.0	7.5
Real estate	10.0	5.6
Absolute return strategies	2.0	3.8
Opportunistic funds/portfolio	3.0	5.7
Real assets	3.0	5.3
Bonds and mortgages	17.0	1.3
Cash	1.0	-0.3
Inflation-indexed bonds	4.0	1.3
Total	<u>100.0 %</u>	

Discount Rate

The discount rate used to calculate the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based upon the assumptions, the System’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
(A COMPONENT UNIT OF WYOMING COUNTY, NEW YORK)  
NOTES TO FINANCIAL STATEMENTS**

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Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following tables present the Agency's proportionate share of the net pension liability calculated using the discount rate of 7.0%, as well as what the Agency's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.0%) or 1-percentage point higher (8.0%) than the current rate:

	1% Decrease (6.0%)	Current Assumption (7.0%)	1% Increase (8.0%)
<u>ERS</u>			
Agency's proportionate share of the net pension liability/(asset)	\$ 184,139	\$ 42,116	\$ (77,193)

Pension Plan Fiduciary Net Position

The components of the current-year net pension liability of the employers as of March 31, 2019 were as follows:

	(Dollars in Thousands)
	<u>ERS</u>
Employers' total pension liability	\$ 189,803,429
Plan net position	182,718,127
Employers' net pension liability	<u>\$ 7,085,302</u>
Ratio of plan net position to the employers' total pension liability	96.3%

Prepayments to the Pension Plan

Employer contributions are paid annually based on the System's fiscal year which ends on March 31<sup>st</sup>. Prepaid retirement contributions as of December 31, 2019 represents the Agency's contribution for the period of January 1, 2020 through March 31, 2020 based on the March 31, 2019 System bill paid prior to December 31, 2019. Prepaid retirement contributions as of December 31, 2019 and 2018 amounted to \$6,979 and \$6,243, respectively.

**NOTE 3. LAND HELD FOR INVESTMENT**

The Agency has recorded an asset of land that is being held for future development in the amount of \$281,222 for the years ended December 31, 2019 and 2018. This land is held at cost and any gain or loss will be recognized upon sale of the land.

**NOTE 4. NET POSITION**

In the prior year, management received communication from the New York State Office of Community Renewal (OCR) in regards to Community Development Block Grants (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, 2019 the funds were committed and approved by OCR to be used as grants for approved projects. As a result, \$551,487 previously reported as restricted program funds have been reclassified as unrestricted as of December 31, 2019.

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

**WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
(A COMPONENT UNIT OF WYOMING COUNTY, NEW YORK)  
NOTES TO FINANCIAL STATEMENTS**

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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 revenue is restricted to the GAIN revolving loan program. Repayments to date amounted to \$160,032, which have therefore been reported as restricted net position as of December 31:

	<u>2019</u>		<u>2018</u>
CDBG Revolving Loan Program	\$ -	\$	796,807
GAIN Revolving Loan Program	<u>160,032</u>		<u>112,493</u>
Total restricted net position	<u>\$ 160,032</u>	\$	<u>909,300</u>

**NOTE 5. OUTSTANDING BOND ISSUES**

Bonds issued by the Agency are collateralized by the property which is leased to the borrowing company and the bonds are retired by lease payments. The bonds are not an obligation of the Agency, the County of Wyoming or the State of New York. The Agency does not record the assets or liabilities resulting from a completed bond issue in their accounts, since its primary function is to arrange the financing between the borrowing company and the lending bondholders, and the funds arising there from are controlled by a trustee bank.

**NOTE 6. LEASES**

At December 31, 2019 and 2018, the Agency had entered into various lease agreements. These leases are merely financing arrangements in which the Agency has provided tax incentives or acts only as a financing conduit. Therefore, the Agency does not record these transactions in their financial records.

**NOTE 7. RELATED PARTY TRANSACTIONS**

The Agency leases office space from Wyoming County. Lease expense amounted to \$72,923 for the years ended December 31, 2019 and 2018.

**NOTE 8. COMMITMENTS**

As of December 31, 2019, the Loan Corporation approved a loan for 50,000 that had not yet been dispersed.

**NOTE 9. SUBSEQUENT EVENTS**

The pandemic of COVID-19 is not expected to have a structural impact on the IDA. This may result in a reduction of business development projects in the short-term. The IDA will be further assessing small business relief programs from the government to determine the IDA's role in helping local businesses gain access to available funds and developing internal programs that will also help to sustain County businesses.

These financial statements have not been updated for subsequent events occurring after March 16, 2020, which is the date these financial statements were available to be issued.

**REQUIRED SUPPLEMENTARY INFORMATION**

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**WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
(A COMPONENT UNIT OF WYOMING COUNTY, NEW YORK)  
SCHEDULE OF THE AGENCY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY –  
EMPLOYEES' RETIREMENT SYSTEM  
LAST TEN FISCAL YEARS\***

	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Employees' Retirement System (ERS)</b>			
Measurement date	March 31, 2017	March 31, 2018	March 31, 2019
Agency's proportion of the net pension liability	0.0002651%	0.0003977%	0.0059440%
Agency's proportionate share of the net pension liability	\$ <u>24,908</u>	\$ <u>12,836</u>	\$ <u>42,116</u>
Agency's covered payroll	\$ 173,731	\$ 177,393	\$ 183,539
Agency's proportionate share of the net pension liability as a percentage of its covered payroll	14.3%	7.2%	22.9%
Plan fiduciary net position as a percentage of the total pension liability	94.7%	98.2%	96.3%

Note - The Agency became a member of the Employees' Retirement System effective January 1, 2016. Information for the Agency for the year ended December 31, 2016 was not provided by the System.

\* This Schedule is intended to show information for ten years. Additional years will be included as they become available.

**WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
(A COMPONENT UNIT OF WYOMING COUNTY, NEW YORK)  
SCHEDULE OF THE AGENCY'S PENSION CONTRIBUTIONS – EMPLOYEES' RETIREMENT SYSTEM  
LAST TEN FISCAL YEARS\***

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Employees' Retirement System (ERS)</b>				
Contractually required contribution	\$ 4,264	\$ 33,784	\$ 24,972	\$ 25,795
Contributions in relation to the contractually required contribution	<u>4,264</u>	<u>33,784</u>	<u>24,972</u>	<u>25,795</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Agency's covered payroll	\$ 193,183	\$ 195,979	\$ 200,165	\$ 201,275
Contributions as a percentage of covered payroll	2%	17%	12%	13%

Note - The Agency became a member of the Employees' Retirement System effective January 1, 2016.

\* This Schedule is intended to show information for ten years. Additional years will be included as they become available.

**WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
(A COMPONENT UNIT OF WYOMING COUNTY, NEW YORK)  
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**

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**A. FACTORS AFFECTING TRENDS IN PENSIONS**

The Agency's proportionate share of the net pension liability of the pension systems is significantly dependent on the performance of the stock market and the funds that the retirement system invests in. In addition to this factor, the discount factor has varied from 7.5% to 7.0% over the past four years.

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## **SUPPLEMENTARY INFORMATION**

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**WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
(A COMPONENT UNIT OF WYOMING COUNTY, NEW YORK)  
COMBINING STATEMENT OF NET POSITION  
DECEMBER 31, 2019**

	<u>Agency</u>	<u>Loan Corporation</u>	<u>Eliminations</u>	<u>Total</u>
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$ 1,226,428	\$ 1,842,040	\$ -	\$ 3,068,468
Certificates of deposit	882,059	509,097	-	1,391,156
Investments - US Treasuries	719,700	-	-	719,700
Accounts receivable	36,140	4,875	-	41,015
Accrued interest receivable	-	3,866	-	3,866
Notes receivable	-	532,419	-	532,419
Prepaid expense	6,979	-	-	6,979
Total current assets	<u>2,871,306</u>	<u>2,892,297</u>	<u>-</u>	<u>5,763,603</u>
<b>Property and equipment, net</b>	<u>378</u>	<u>-</u>	<u>-</u>	<u>378</u>
<b>Noncurrent assets:</b>				
Notes receivable, net	-	1,807,757	-	1,807,757
Land held for investment	281,222	-	-	281,222
Total noncurrent assets	<u>281,222</u>	<u>1,807,757</u>	<u>-</u>	<u>2,088,979</u>
Total assets	<u>3,152,906</u>	<u>4,700,054</u>	<u>-</u>	<u>7,852,960</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred pension outflows	126,365	-	-	126,365
Total deferred outflows of resources	<u>126,365</u>	<u>-</u>	<u>-</u>	<u>126,365</u>
<b>LIABILITIES</b>				
<b>Current liabilities:</b>				
Accounts payable	2,102	225,673	-	227,775
Unearned revenue	-	462,986	-	462,986
Total current liabilities	<u>2,102</u>	<u>688,659</u>	<u>-</u>	<u>690,761</u>
<b>Noncurrent liabilities:</b>				
Net pension liability	42,116	-	-	42,116
Total noncurrent liabilities	<u>42,116</u>	<u>-</u>	<u>-</u>	<u>42,116</u>
Total liabilities	<u>44,218</u>	<u>688,659</u>	<u>-</u>	<u>732,877</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred pension inflows	16,119	-	-	16,119
Total deferred inflows of resources	<u>16,119</u>	<u>-</u>	<u>-</u>	<u>16,119</u>
<b>NET POSITION</b>				
Investment in capital assets	378	-	-	378
Restricted	-	160,032	-	160,032
Unrestricted	3,218,556	3,851,363	-	7,069,919
Total net position	<u>\$ 3,218,934</u>	<u>\$ 4,011,395</u>	<u>\$ -</u>	<u>\$ 7,230,329</u>

**WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
(A COMPONENT UNIT OF WYOMING COUNTY, NEW YORK)  
COMBINING STATEMENT OF NET POSITION  
DECEMBER 31, 2018**

	<u>Agency</u>	<u>Loan Corporation</u>	<u>Eliminations</u>	<u>Total</u>
<b>ASSETS</b>				
<b>Current assets:</b>				
Cash and cash equivalents	\$ 1,363,617	\$ 2,328,308	\$ -	\$ 3,691,925
Investments - certificate of deposit	407,574	-	-	407,574
Investments - US Treasuries	1,067,697	-	-	1,067,697
Accounts receivable	70,045	4,875	-	74,920
Due from other governments	38,653	-	-	38,653
Accrued interest receivable	-	6,154	-	6,154
Notes receivable	-	540,712	-	540,712
Prepaid expense	6,243	-	-	6,243
Total current assets	<u>2,953,829</u>	<u>2,880,049</u>	<u>-</u>	<u>5,833,878</u>
<b>Property and equipment, net</b>	<u>524</u>	<u>-</u>	<u>-</u>	<u>524</u>
<b>Noncurrent assets:</b>				
Notes receivable, net	-	1,730,309	-	1,730,309
Land held for investment	281,222	-	-	281,222
Total noncurrent assets	<u>281,222</u>	<u>1,730,309</u>	<u>-</u>	<u>2,011,531</u>
Total assets	<u>3,235,575</u>	<u>4,610,358</u>	<u>-</u>	<u>7,845,933</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred pension outflows	155,290	-	-	155,290
Total deferred outflows of resources	<u>155,290</u>	<u>-</u>	<u>-</u>	<u>155,290</u>
<b>LIABILITIES</b>				
<b>Current liabilities:</b>				
Accounts payable	3,142	10,577	-	13,719
Unearned revenue	-	453,567	-	453,567
Total current liabilities	<u>3,142</u>	<u>464,144</u>	<u>-</u>	<u>467,286</u>
<b>Noncurrent liabilities:</b>				
Net pension liability	12,836	-	-	12,836
Total noncurrent liabilities	<u>12,836</u>	<u>-</u>	<u>-</u>	<u>12,836</u>
Total liabilities	<u>15,978</u>	<u>464,144</u>	<u>-</u>	<u>480,122</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred pension inflows	44,308	-	-	44,308
Total deferred inflows of resources	<u>44,308</u>	<u>-</u>	<u>-</u>	<u>44,308</u>
<b>NET POSITION</b>				
Investment in capital assets	524	-	-	524
Restricted	-	909,300	-	909,300
Unrestricted	3,330,055	3,236,914	-	6,566,969
Total net position	<u>\$ 3,330,579</u>	<u>\$ 4,146,214</u>	<u>\$ -</u>	<u>\$ 7,476,793</u>



**WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
(A COMPONENT UNIT OF WYOMING COUNTY, NEW YORK)  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Agency</u>	<u>Loan Corporation</u>	<u>Eliminations</u>	<u>Total</u>
<b>Operating revenues:</b>				
Fees and penalties	\$ 364,477	\$ 9,105	\$ (67,500) (1)	\$ 306,082
Grant revenue	-	103,578	-	103,578
Interest income on notes receivable	-	73,597	-	73,597
Recovery of bad debt	-	5,214	-	5,214
Rental income	1,440	-	-	1,440
Total operating revenues	<u>365,917</u>	<u>191,494</u>	<u>(67,500)</u>	<u>489,911</u>
<b>Operating expenses:</b>				
Administration fee	-	67,500	(67,500) (1)	-
Grant expense	-	239,178	-	239,178
Bad debt expense	-	16,940	-	16,940
Conferences and training	12,364	-	-	12,364
Depreciation	146	-	-	146
Insurance	8,145	-	-	8,145
Lease/rent	72,923	-	-	72,923
Marketing	39,553	-	-	39,553
Meetings and dinners	373	-	-	373
Memberships and publications	5,205	-	-	5,205
Office expense and printing	6,455	-	-	6,455
Professional fees	30,740	2,336	-	33,076
Professional services	18,026	9,458	-	27,484
Rail initiative	12,780	-	-	12,780
Salaries and benefits	304,539	-	-	304,539
Strategic plan implementation	5,769	-	-	5,769
Travel	4,485	-	-	4,485
Total operating expenses	<u>521,503</u>	<u>335,412</u>	<u>(67,500)</u>	<u>789,415</u>
Operating income (loss)	(155,586)	(143,918)	-	(299,504)
<b>Nonoperating revenues (expense):</b>				
Interest income	43,941	9,099	-	53,040
Total nonoperating revenues	<u>43,941</u>	<u>9,099</u>	<u>-</u>	<u>53,040</u>
Change in net position	(111,645)	(134,819)	-	(246,464)
<b>Net position - beginning of year</b>	<u>3,330,579</u>	<u>4,146,214</u>	<u>-</u>	<u>7,476,793</u>
<b>Net position - end of year</b>	<u>\$ 3,218,934</u>	<u>\$ 4,011,395</u>	<u>\$ -</u>	<u>\$ 7,230,329</u>

(1) This represents the administrative fee paid by the Loan Corporation to the Agency for administrative services performed.

**WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
(A COMPONENT UNIT OF WYOMING COUNTY, NEW YORK)  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Agency</u>	<u>Loan Corporation</u>	<u>Eliminations</u>	<u>Total</u>
<b>Operating revenues:</b>				
Fees and penalties	\$ 125,435	\$ 3,500	\$ (60,000) (1)	\$ 68,935
Grant revenue	730,779	88,576	-	819,355
Interest income on notes receivable	-	73,401	-	73,401
Recovery of bad debt	-	3,330	-	3,330
Rental income	1,560	-	-	1,560
Total operating revenues	<u>857,774</u>	<u>168,807</u>	<u>(60,000)</u>	<u>966,581</u>
<b>Operating expenses:</b>				
Administration fee	-	60,000	(60,000) (1)	-
Grant expense	-	411,394	-	411,394
Bad debt expense	-	72,758	-	72,758
Conferences and training	12,604	-	-	12,604
Depreciation	201	-	-	201
Insurance	1,857	-	-	1,857
Lease/rent	72,923	-	-	72,923
Marketing	46,033	-	-	46,033
Meetings and dinners	341	-	-	341
Memberships and publications	4,364	-	-	4,364
Office expense and printing	8,048	-	-	8,048
Professional fees	16,989	27,753	-	44,742
Professional services	26,892	8,828	-	35,720
Rail initiative	383,738	-	-	383,738
Salaries and benefits	263,725	-	-	263,725
Subcontractors	10,520	-	-	10,520
Travel	4,865	-	-	4,865
Total operating expenses	<u>853,100</u>	<u>580,733</u>	<u>(60,000)</u>	<u>1,373,833</u>
Operating income (loss)	4,674	(411,926)	-	(407,252)
<b>Nonoperating revenues:</b>				
Interest income	23,938	22	-	23,960
Recovery of prior year expenditure - pension	71,653	-	-	71,653
Total nonoperating revenues	<u>95,591</u>	<u>22</u>	<u>-</u>	<u>95,613</u>
Change in net position	100,265	(411,904)	-	(311,639)
<b>Net position - beginning of year</b>	<u>3,230,314</u>	<u>4,558,118</u>	<u>-</u>	<u>7,788,432</u>
<b>Net position - end of year</b>	<u>\$ 3,330,579</u>	<u>\$ 4,146,214</u>	<u>\$ -</u>	<u>\$ 7,476,793</u>

(1) This represents the administrative fee paid by the Loan Corporation to the Agency for administrative services performed.

**WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
(A COMPONENT UNIT OF WYOMING COUNTY, NEW YORK)  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	<u>Agency</u>	<u>Loan Corporation</u>	<u>Eliminations</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from providing services	\$ 438,475	\$ 112,997	\$ (67,500) (1)	\$ 483,972
Interest income on notes receivable	-	75,885	-	75,885
Repayments of notes receivable	-	305,119	-	305,119
Receipts from penalties and fees	-	9,105	-	9,105
Issuance of notes receivable	-	(386,000)	-	(386,000)
Payments to service providers and suppliers	(218,885)	(22,001)	67,500 (1)	(173,386)
Payments for grant services and administration	-	(81,375)	-	(81,375)
Payments for employee services	(274,232)	-	-	(274,232)
Net cash provided (used) by operating activities	<u>(54,642)</u>	<u>13,730</u>	<u>-</u>	<u>(40,912)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Purchase of US treasuries	43,941	9,099	-	53,040
Sale of US treasuries	347,997	-	-	347,997
Purchase of certificates of deposits	(474,485)	(509,097)	-	(983,582)
Net cash used by investing activities	<u>(82,547)</u>	<u>(499,998)</u>	<u>-</u>	<u>(582,545)</u>
Net decrease in cash and cash equivalents	(137,189)	(486,268)	-	(623,457)
<b>Cash and cash equivalents - beginning of year</b>	<u>1,363,617</u>	<u>2,328,308</u>	<u>-</u>	<u>3,691,925</u>
<b>Cash and cash equivalents - end of year</b>	<u>\$ 1,226,428</u>	<u>\$ 1,842,040</u>	<u>\$ -</u>	<u>\$ 3,068,468</u>
<b>Reconciliation of operating loss to net cash provided (used) by operating activities:</b>				
Operating loss	\$ (155,586)	\$ (143,918)	\$ -	\$ (299,504)
Adjustment to reconcile operating loss to net cash used by operating activities:				
Depreciation expense	146	-	-	146
Bad debt expense, net of recoveries	-	11,726	-	11,726
Pension expense	30,016	-	-	30,016
Change in assets and liabilities:				
Decrease (increase) in:				
Accounts receivable	33,905	-	-	33,905
Due from other governments	38,653	-	-	38,653
Accrued interest receivable	-	2,288	-	2,288
Prepaid expense	(736)	-	-	(736)
Notes receivable	-	(80,881)	-	(80,881)
Increase (decrease) in:				
Accounts payable	(1,040)	215,096	-	214,056
Unearned revenue	-	9,419	-	9,419
Net cash provided (used) by operating activities	<u>\$ (54,642)</u>	<u>\$ 13,730</u>	<u>\$ -</u>	<u>\$ (40,912)</u>

(1) This represents the administrative fee paid by the Loan Corporation to the Agency for administrative services performed.

**WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
(A COMPONENT UNIT OF WYOMING COUNTY, NEW YORK)  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 2018**

	<u>Agency</u>	<u>Loan Corporation</u>	<u>Eliminations</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Receipts from providing services	\$ 666,479	\$ 149,171	\$ (60,000) (1)	\$ 755,650
Interest income on notes receivable	-	69,729	-	69,729
Repayments of notes receivable	-	618,496	-	618,496
Receipts from penalties and fees	-	3,500	-	3,500
Issuance of notes receivable	-	(290,000)	-	(290,000)
Payments to service providers and suppliers	(586,173)	(166,199)	60,000 (1)	(692,372)
Payments for grant services and administration	-	(411,394)	-	(411,394)
Payments for employee services	(372,646)	-	-	(372,646)
Net cash used by operating activities	<u>(292,340)</u>	<u>(26,697)</u>	<u>-</u>	<u>(319,037)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest income	25,418	22	-	25,440
Purchase of certificate deposit	(1,067,697)	-	-	(1,067,697)
Purchase of land held for investment	212,968	-	-	212,968
Net cash provided (used) by investing activities	<u>(829,311)</u>	<u>22</u>	<u>-</u>	<u>(829,289)</u>
Net decrease in cash and cash equivalents	(1,121,651)	(26,675)	-	(1,148,326)
<b>Cash and cash equivalents - beginning of year</b>	<u>2,485,268</u>	<u>2,354,983</u>	<u>-</u>	<u>4,840,251</u>
<b>Cash and cash equivalents - end of year</b>	<u>\$ 1,363,617</u>	<u>\$ 2,328,308</u>	<u>\$ -</u>	<u>\$ 3,691,925</u>
<b>Reconciliation of operating income (loss) to net cash used by operating activities:</b>				
Operating income (loss)	\$ 4,674	\$ (411,926)	\$ -	\$ (407,252)
Adjustment to reconcile operating income (loss) to net cash used by operating activities:				
Depreciation expense	201	-	-	201
Bad debt expense, net of recoveries	-	69,428	-	69,428
Pension expense	(111,124)	-	-	(111,124)
Change in assets and liabilities:				
Decrease (increase) in:				
Accounts receivable	(38,805)	57,371	-	18,566
Accrued interest receivable	(38,653)	-	-	(38,653)
Prepaid expense	-	(3,672)	-	(3,672)
Wind farm receivable	2,203	-	-	2,203
Notes receivable	-	328,496	-	328,496
Increase (decrease) in:				
Accounts payable	3,001	(69,618)	-	(66,617)
Unearned revenue	(113,837)	3,224	-	(110,613)
Due to retirement system	-	-	-	-
Net cash used by operating activities	<u>\$ (292,340)</u>	<u>\$ (26,697)</u>	<u>\$ -</u>	<u>\$ (319,037)</u>

(1) This represents the administrative fee paid by the Loan Corporation to the Agency for administrative services performed.

**WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
(A COMPONENT UNIT OF WYOMING COUNTY, NEW YORK)  
SCHEDULE OF INDUSTRIAL REVENUE BONDS ISSUED BY THE AGENCY  
AS OF DECEMBER 31, 2019**

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Name of Project           Olympic Management Systems, Inc.  
Address of Owner       Six Fountain Plaza, Plaza Level  
                                  Buffalo, NY 14202

Issue Amount           \$2,871,926  
Purpose of Issue       Construction  
Date of Issue           1/13/06  
Interest Rate           7.87% fixed  
Maturity Date           1/1/26

**WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
(A COMPONENT UNIT OF WYOMING COUNTY, NEW YORK)  
SCHEDULE OF INDUSTRIAL REVENUE LEASES ISSUED BY THE AGENCY  
AS OF DECEMBER 31, 2019**

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Name of Project	M&T Trucking
Address of Owner	Mark & Tracie Cole 532 Peoria Road Pavilion, New York 14525
Date of Lease	01/20/06
Date of Expiration	01/19/21
Name of Project	CFI Properties, Inc.
Address of Owner	1 Lincoln Avenue Perry, New York 14538
Date of Lease	02/01/19
Date of Expiration	06/30/31
Name of Project	Koike Aronson, Inc. AMENDED
Address of Owner	635 West Main Street Arcade, New York 14009
Date of Lease	02/26/07 Date Amended 12/23/13
Date of Expiration	02/25/17 Amended new term 12/22/23
Name of Project	Noble Bliss Wind Park, LLC
Address of Owner	7294 Centerville Road Bliss, New York 14024
Date of Lease	04/23/07
Date of Expiration	06/30/23 (plus 5)
Name of Project	Noble Wethersfield Windpark, LLC
Address of Owner	7294 Centerville Road Bliss, New York 14024
Date of Lease	05/14/08
Date of Expiration	06/30/24 (plus 5)
Name of Project	Sheldon Energy, LLC
Address of Owner	One South Wacker Drive, Suite 2020 Chicago, IL 60606
Date of Lease	09/10/08
Date of Expiration	09/30/24 (plus 5)
Name of Project	Krog Corp/ Arcade REHC 1
Address of Owner	The Krog Corporation 4 Centre Drive Orchard Park, New York 14127
Date of Lease	10/3/08 Amendment 02/24/17
Date of Expiration	12/31/19 New Expiration 12/31/27
Name of Project	Indus 19, LLC
Address of Owner	950 Panorama Trail South Rochester, New York 14625
Date of Lease	09/01/19
Date of Expiration	12/31/35

**WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
(A COMPONENT UNIT OF WYOMING COUNTY, NEW YORK)  
SCHEDULE OF INDUSTRIAL REVENUE LEASES ISSUED BY THE AGENCY  
AS OF DECEMBER 31, 2019**

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Name of Project	Laken Holdings, LLC
Address of Owner	4101 Traber Road North Silver Springs, New York 14550
Date of Lease	02/01/19
Date of Expiration	12/31/35
Name of Project	Drasgow, Inc.
Address of Owner	Karl Drasgow Varysburg, New York 14167
Date of Lease	12/07/06
Date of Expiration	12/6/26 Amendment extension 2/21/14
Name of Project	CFD Real Estate / Agri Fab & Repair
Address of Owner	7965 Route 63 Pavilion, New York 14525
Date of Lease	02/23/10
Date of Expiration	02/23/20
Name of Project	Hidden Valley Animal Adventure, LLC
Address of Owner	2614 Royce Road Varysburg, New York 14157
Date of Lease	01/07/10
Date of Expiration	01/07/20
Name of Project	In.Site Enterprises, LLC
Address of Owner	2 Borden Ave. Suite 202 Perry, New York 14530
Date of Lease	02/04/10
Date of Expiration	02/04/20
Name of Project	Perry New York LLC - Howell Building
Address of Owner	2 Borden Ave. Suite 202 Perry New York 14530
Date of Lease	04/23/10
	04/23/20
Name of Project	Steel & O'Brien Manufacturing, Inc.
Address of Owner	7196 Route 98 Arcade, New York 14009
Date of Lease	01/11/11
Date of Expiration	01/11/21
Name of Project	Noble Wind Operations
Address of Owner	3700 Route 78 Bliss, New York 14024
Date of Lease	03/18/11
Date of Expiration	02/28/21

**WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
(A COMPONENT UNIT OF WYOMING COUNTY, NEW YORK)  
SCHEDULE OF INDUSTRIAL REVENUE LEASES ISSUED BY THE AGENCY  
AS OF DECEMBER 31, 2019**

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Name of Project EG & JR Miller (Sedam's)  
Address of Owner 3165 Route 246, PO Box 106  
Perry, New York 14530  
Date of Lease 01/27/12  
Date of Expiration 01/26/22

Name of Project Beaver Hollow Wellness, LLC  
Address of Owner 1083 Pit Road  
Java, New York  
Date of Lease 09/28/12  
Date of Expiration 09/27/22

Name of Project 3208 Route 39, LLC (LVM Materials)  
Address of Owner 3200 Route 39  
Bliss , New York 14024  
Date of Lease 08/31/12  
Date of Expiration 08/30/22

Name of Project Stony Creek Energy, LLC  
Address of Owner One South Wacker Drive, Suite 1900  
Chicago, Illinois 60606  
Date of Lease 03/01/13  
Date of Expiration 12/31/29 (plus 5)

Name of Project Perry Holding Company, LLC  
Address of Owner 3180 Route 246  
Perry, New York 14530  
Date of Lease 10/01/13  
Date of Expiration 12/31/25

Name of Project Maple Grove- Hobin's  
Address of Owner 7075 Route 98  
Arcade, New York 14009  
Date of Lease 12/23/13  
Date of Expiration 12/22/23

Name of Project Arcade & Attica Railroad  
Address of Owner 278 Main Street  
Arcade, New York 14009  
Date of Lease 02/21/14  
Date of Expiration 04/01/20

Name of Project Paddock Properties, LLC  
Address of Owner 440 Commerce Way  
Warsaw, New York 14569  
Date of Lease 03/19/14  
Date of Expiration 03/18/24



**WYOMING COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
(A COMPONENT UNIT OF WYOMING COUNTY, NEW YORK)  
SCHEDULE OF INDUSTRIAL REVENUE LEASES ISSUED BY THE AGENCY  
AS OF DECEMBER 31, 2019**

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Name of Project	Center Street Business Center, LLC
Address of Owner	36 Center Street Warsaw, New York 14569
Date of Lease	07/16/2014
Date of Expiration	12/31/2031
Name of Project	CFI Properties, Inc. (Creative Food Ingredients)
Address of Owner	1 Lincoln Ave. Perry, New York 14530
Date of Lease	01/01/15
Date of Expiration	05/31/27
Name of Project	Maple Pro, Inc. (CDL USA)
Address of Owner	3 Lemnah Drive St. Albans, Vermont 05478
Date of Lease	02/01/15
Date of Expiration	05/31/26
Name of Project	Alpine Acres, LLC (East Hill Creamery)
Address of Owner	5840 Route 20A, Warsaw, New York 14569
Date of Lease	07/01/15
Date of Expiration	05/31/27
Name of Project	Marquart Realty, LLC
Address of Owner	5195 Route 19 Gainesville, New York 14066
Date of Lease	12/01/16
Date of Expiration	12/31/27
Name of Project	RM4 Holdings, LLC (Calamar)
Address of Owner	3949 Forest Parkway, Suite 100 Wheatfield, New York 14120
Date of Lease	03/20/17
Date of Expiration	12/31/28
Name of Project	Texas Brine New York, LLC
Address of Owner	1346 Saltvale Road Wyoing, New York 14591
Date of Lease	02/01/19
Date of Expiration	12/31/29

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## **INTERNAL CONTROL AND COMPLIANCE**

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**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 Industrial Development Agency

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 Industrial Development (the Agency), a component unit of Wyoming County, New York, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Agency's financial statements, and have issued our report thereon dated March 16, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Agency'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 Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the 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. 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 Agency's financial statements are free from 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 Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Freed Maxick CPAs, P.C.*

Batavia, New York  
March 16, 2020