

**AUDITED
FINANCIAL STATEMENTS**

**WYOMING COUNTY BUSINESS CENTER,
INC.**

DECEMBER 31, 2013

WYOMING COUNTY BUSINESS CENTER, INC.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Wyoming County Business Center, Inc.
Perry, New York

Report on the Financial Statements

We have audited the accompanying basic financial statements of the Wyoming County Business Center (the Center), as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity'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 business-type activities of the Center, as of December 31, 2013 and 2012, 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.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis and budgetary comparison information 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 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 26, 2014 on our consideration of the Center'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 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 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 Center's internal control over financial reporting and compliance.

Freed Maxick CPAs, P.C.

Batavia, New York
March 16, 2014

WYOMING COUNTY BUSINESS CENTER, INC.

STATEMENTS OF NET POSITION
DECEMBER 31,

	<u>2013</u>	<u>2012</u>
ASSETS		
Current assets:		
Cash	\$ 319,103	\$ 160,375
Accounts receivable	1,100	1,200
Accrued interest receivable	905	-
Notes receivable	141,126	153,004
Total current assets	<u>462,234</u>	<u>314,579</u>
Non-current assets:		
Computer equipment	2,524	2,524
Less: accumulated depreciation	<u>(2,259)</u>	<u>(1,944)</u>
Equipment, net	<u>265</u>	<u>580</u>
Notes receivable, net	<u>163,107</u>	<u>271,246</u>
Total assets	<u>625,606</u>	<u>586,405</u>
LIABILITIES		
Current liabilities:		
Accounts payable	<u>38,325</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - revolving loans	<u>115,371</u>	<u>155,692</u>
NET POSITION		
Net investment in capital assets	265	580
Restricted	221,027	133,378
Unrestricted	250,618	296,755
Total net position	<u>\$ 471,910</u>	<u>\$ 430,713</u>

See accompanying notes.

WYOMING COUNTY BUSINESS CENTER, INC.

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31,

	<u>2013</u>	<u>2012</u>
Operating revenues:		
Wyoming County	\$ 112,050	\$ 58,050
A&A Metal	-	2,912
IDA funding	-	19,000
Interest income on notes receivable	9,545	8,740
Loan program	40,306	47,904
Fast track program income	8,700	13,700
Recovery of bad debt	14,150	1,550
Total operating revenues	<u>184,751</u>	<u>151,856</u>
Operating expenses:		
Bad debt expense	42,800	-
Contract expense	-	63
Depreciation	315	505
Dues and subscriptions	210	458
Insurance	254	574
Marketing	38,191	153
Office expense	22,172	3,041
Other	484	3,148
Professional fees	7,532	7,055
Program expenses	6,773	13,397
Project expense	-	5,339
Salaries and benefits	24,470	101,118
Travel	500	1,848
Total operating expenses	<u>143,701</u>	<u>136,699</u>
Operating income	41,050	15,157
Non-operating revenues:		
Interest revenues	<u>147</u>	<u>240</u>
Change in net position	41,197	15,397
Net position - beginning of year	<u>430,713</u>	<u>415,316</u>
Net position - end of year	<u>\$ 471,910</u>	<u>\$ 430,713</u>

See accompanying notes.

WYOMING COUNTY BUSINESS CENTER, INC.

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Cash received from customers and governmental agencies	\$ 120,835	\$ 96,040
Interest income on notes receivable	8,640	8,740
Issuance of notes	(15,000)	(78,500)
Collections of notes	106,720	115,173
Payments of service providers and suppliers	(38,144)	(36,826)
Payments for employee services	(24,470)	(101,118)
Net cash provided by operating activities	<u>158,581</u>	<u>3,509</u>
Cash flows from investing activities:		
Interest revenues	147	240
Net cash provided by investing activities	<u>147</u>	<u>240</u>
Net increase in cash	158,728	3,749
Cash - beginning of year	<u>160,375</u>	<u>156,626</u>
Cash - end of year	<u><u>319,103</u></u>	<u><u>\$ 160,375</u></u>
Reconciliation of income from operations to net cash provided by operating activities:		
Income from operations	\$ 41,050	\$ 15,157
Adjustments to reconcile income from operations to net cash provided by operating activities:		
Depreciation expense	315	505
Bad debt expense, net of recoveries	28,297	-
Change in assets and liabilities:		
Decrease (increase) in:		
Accounts receivable	100	200
Accrued interest receivable	(905)	-
Loans receivable	91,720	36,673
Increase (decrease) in:		
Accounts payable	38,325	(1,750)
Unavailable revenue - revolving loans	(40,321)	(47,276)
Net cash provided by operating activities	<u><u>\$ 158,581</u></u>	<u><u>\$ 3,509</u></u>

See accompanying notes.

WYOMING COUNTY BUSINESS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity: The Wyoming County Business Center, Inc. (the Center) is a New York State Center organized under New York State Not-For-Profit Center and is located in, Perry, New York. The Center is dedicated to economic development services including, business retention and expansion, business attraction marketing, entrepreneurship development, micro lending and other community-based economic development activities.

Basis of Accounting: The Center's financial statements are prepared in conformity with accounting principles generally accepted in the United States 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.

Revenue Recognition: The Center maintains its books and prepares its financial statements on the accrual basis of accounting whereby revenue is recognized as it is earned and expenses are recorded as they are incurred. If expenses are the prime factor for determining when grant income is earned, revenue is accrued when the expense is incurred.

Income Tax: The Center does not believe that it has any uncertain tax positions, and has not recorded any unrecognized tax benefits or liability or penalties or interest. The Center is no longer subject to federal and state income tax examinations by tax authorities for years prior to 2010.

Notes Receivable: Notes receivable are presented net of an allowance for uncollectible accounts. The Center maintains an allowance for estimated uncollectible accounts which is based on an analysis of potential bad debts.

Property and Equipment: Property and equipment is stated at cost. Depreciation has been provided for using the straight-line method over the estimated useful life of the assets. Depreciation expense amounted to \$315 and \$505, respectively, for the years ended December 31, 2013 and 2012.

Deferred Outflows/Inflows of Resources: In addition to assets, the statement 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 Center had no deferred outflows of resources as of December 31, 2013 and 2012.

In addition to liabilities, the balance sheet 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 Center has deferred inflows that relate to their Community Development Block Grant (CDBG) grant money, which was used to fund notes issued to qualifying businesses. The Center has met the CDBG grant requirements and awaits repayment of the notes for the funds to be available as revenue.

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

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation.
- b. 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.
- c. Unrestricted - All other net positions that do not meet the definition of "restricted" or "net investment in capital assets."

WYOMING COUNTY BUSINESS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates: In preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Reclassification: Certain reclassifications have been made to the prior year's Wyoming County revenues to conform with current year presentation.

New Accounting Pronouncements: During the fiscal year ended December 31, 2013, the Center adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*. GASB Statement No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

Additionally, during the year ended December 31, 2013, the Center completed the process of evaluating the impact that will result from adopting GASB Statement No. 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34*, and No. 66, *Technical Corrections—2012—an amendment of GASB Statements No. 10 and 62*, effective for the year ending December 31, 2013. GASB Statements No. 60, 61 and 66 have been adopted, as applicable, for the year ended December 31, 2013 and did not have a material impact on the Center's financial position or results from operations.

The GASB has issued the following new statements:

- Statement No. 67, *Financial Reporting for Pension Plans—an amendment of GASB Statement No. 25*, which will be effective for the year ending December 31, 2014;
- Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27*, which will be effective for the year ending December 31, 2015;
- Statement No. 69, *Government Combinations and Disposals of Government Operations*, which will be effective for the year ending December 31, 2014;
- Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, which will be effective for the year ending December 31, 2014; and
- Statement No. 71, *Pension Transitions for Contributions Made Subsequent to the Measurement Date*, which should be applied simultaneously with the provisions of Statement No. 68.

The Center is currently reviewing these statements and plans on adoption, as required.

NOTE 2. DEPOSITS AND INVESTMENTS

Cash and Investments: The Center's investment policies are governed by State statutes. In addition, the Center has its own written investment policy. Center funds must be deposited in FDIC-insured commercial banks or trust companies located within the State. The 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.

WYOMING COUNTY BUSINESS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 2. DEPOSITS AND INVESTMENTS (Continued)

Investment and Deposit Policy: The Center implemented Governmental Accounting Standards Board Statement No. 40, *Deposit and Investment Risk Disclosures*.

The Center 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 Operations Director.

Interest Rate Risk: Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. The Center'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 Center'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 Center'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 Center's investment and deposit policy, all deposits of the Center 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 102% of the aggregate amount of deposits. The Center 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.

NOTE 3. ECONOMIC DEPENDENCY

For the years ending December 31, 2013 and 2012, approximately 61% and 38%, respectively, of the Center's funding is dependent upon Wyoming County. For the year ending December 31, 2012, approximately 12%, of the Center's funding was dependent upon the Wyoming County IDA. In the current year, no funding from the Wyoming County IDA was received. In addition, the Center also receives its office space from Wyoming County; however, the Center does not make any payments to the County for the office space. The value of the office space has not been reflected in the revenue or expenses of the Center for the years ended December 31, 2013 and 2012.

WYOMING COUNTY BUSINESS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. CONTRACT REVENUE

During the years ended December 31, 2013 and 2012, the Center obtained \$112,050 and \$58,050, respectively, from Wyoming County through the Wyoming County Economic Development Services Agreement. In accordance with the agreement the Center is to provide centralized economic development services for the County, serve as the zone administrative entity for Wyoming County Empire Zone, serve as Wyoming County's primary economic development grant and loan conduit, and provide economic development services and financial assistance to businesses within Wyoming County.

Under the CDBG grant program, revenue is to be recognized as principal when the notes receivables are received.

NOTE 5. NOTES RECEIVABLE

The Center provides low interest loans to businesses located in Wyoming County in order to encourage economic development. Loans receivable consisted of the following at December 31,

		<u>2013</u>	<u>2012</u>
About Face Day Spa & Salon	Monthly installment of principal and interest in the amount of \$846 over five years commencing 1/01/11. Annual interest rate of 1.625%. This loan was previously in a stabilization plan.	\$ 22,422	\$ 32,127
Bear Communications, LLC	First three months were interest only and then monthly installments of principal and interest in the amount of \$427 over three years commencing 3/08/13. Annual interest rate of 1.625%.	12,550	-
Cappy's Trucking	Monthly installments of principal and Interest in the amount of \$472 over five years commencing 1/01/11. Annual interest rate of 5.0%.	11,480	15,927
CSI Tax Service	Monthly installments of principal and Interest in the amount of \$757 over five years commencing 2/01/10. Annual interest rate of 1.625%.	21,373	30,044
Decisions Catering, LLC	Monthly installments of principal and interest in the amount of \$283 over seven years commencing 12/08/10. Annual interest rate of 5.0%.	13,192	16,067
Hellwigs' Son Raised Alpacas, LLC	Monthly installments of principal and interest in the amount of \$282 over five years commencing 12/01/10. Annual interest rate of 5.0%. Note is temporarily making interest only payments due to hardship. Regular payments are set to resume during 2014.	7,967	9,201

WYOMING COUNTY BUSINESS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. NOTES RECEIVABLE (Continued)

		<u>2013</u>	<u>2012</u>
Wolcott Brother's Music	Monthly installments of principal and interest in the amount of \$521 over five years commencing 12/01/10. Annual interest rate of 1.625%. The business experienced a fire during 2012. Due to the uncertainty that the business will continue, this note is fully included in allowance for doubtful accounts.	20,080	20,220
Norse Paddle Company, LLC	Monthly installments of principal and interest in the amount of \$915 over five years commencing 6/01/10. Annual interest rate of 5.0%.	14,991	24,953
West's Bookkeeping Services	Monthly installment of principal and interest in the amount of \$260 over five years commencing 4/01/10. Annual interest rate of 1.625%	3,865	7,152
Canaan's Butcher Block	Monthly installment of principal and interest in the amount of \$695 over five years commencing 11/01/11. Annual interest rate of 1.625%. A new agreement and payment terms is currently being discussed with recipient. Due to uncertainty of collection, fifty percent is included in the allowance for doubtful accounts.	29,175	31,458
Swept Away Hair Studio	Monthly installment of principal and interest in the amount of \$504 over five years commencing 11/01/11. Annual interest rate of 1.625%. Business is currently behind on payments, and believed to be partially uncollectible. Twenty percent of note is included in allowance for doubtful accounts.	20,546	22,358
Stang Tek	Monthly installment of principal and Interest in the amount of \$630 over seven years commencing 10/01/11. Annual interest rate of 1.625%	33,961	41,473
Healing Hands Massage & Spa, LLC	Monthly installment of principal and interest in the amount of \$365 over five years commencing 09/01/11. Annual interest rate of 1.625%	11,761	15,898

WYOMING COUNTY BUSINESS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. NOTES RECEIVABLE (Continued)

		<u>2013</u>	<u>2012</u>
Silver Trail Outfitters	Monthly installment of principal and interest in the amount of \$868 over five years commencing 10/10/11. Annual interest rate of 1.625%. Due to the business being new, and currently a few payments behind, ten percent is included in the allowance for doubtful accounts.	35,430	41,883
Twice is Nice Boutique, LLC	Monthly installment of principal and interest in the amount of \$330 over five years commencing 05/01/12. Annual interest rate of 1.625%.	12,837	16,554
Shearing's Hoof Trimming, LLC	Monthly installment of principal and interest in the amount of \$636 over six years commencing 10/01/12. Annual interest rate of 5.000%.	32,191	38,079
Jacked 24/7, LLC	Monthly installment of principal and Interest in the amount of \$347 over five years commencing 01/01/13. Annual interest rate of 1.625%	16,096	19,677
Curves for Women Arcade	Monthly installments of principal over five years commencing 11/24/08. Non interest bearing note. Note was paid in full during 2013.	-	2,400
Decisions Catering, Inc.	Monthly installments of principal in the amount of \$233 over five years commencing 01/10/08. Non interest bearing note. Note was previously behind on payments, and started a new repayment plan using electronic fund payments during 2012.	2,567	5,367
Yummies	Monthly installments of principal in the amount of \$417 over seven years commencing 07/19/07. Non interest bearing note.	2,917	7,917
Country Homes & Interior	This loan was amended during 2012 to be monthly payments of \$150, until the remainder of the loan is paid off, as the business has closed. Annual interest rate of 5%.	15,697	17,497
Healing Hands Massage & Spa, LLC	Monthly installments of principal over five years commencing 09/03/08. Non interest bearing note. Note was paid in full during 2013.	-	2,679

WYOMING COUNTY BUSINESS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 5. NOTES RECEIVABLE (Continued)

		<u>2013</u>	<u>2012</u>
New York Stork Exchange	Monthly installments of principal in the amount of \$216 over 59 months commencing 10/23/08. Non interest bearing note. This business ceased operations and the Center is working with the business to collect the loan. The full amount of this note is included in the allowance for doubtful accounts.	12,704	12,704
Phil's TV and Appliances, Inc.	Monthly installments of principal in the amount of \$694 over six years commencing 05/15/08. Non interest bearing note.	4,167	13,195
About Face Day Spa & Salon	Monthly installment of principal in the amount of \$486 over six years commencing 01/19/07. Non interest bearing note.	1,458	6,320
		<hr/>	<hr/>
Total notes receivable		359,427	451,150
Less: allowance for uncollectible notes		<u>55,194</u>	<u>26,900</u>
Notes receivable, net		304,233	424,250
Less: current maturities		<u>141,126</u>	<u>153,004</u>
Notes receivable - long-term		<u>\$ 163,107</u>	<u>\$ 271,246</u>

The Center's policy is to present notes receivable net of an allowance for uncollectible notes. At December 31, 2013 and 2012 the allowance for uncollectible notes was \$55,194 and \$26,900, respectively. During the years ended December 31, 2013 and 2012, the Center did not write-off any notes receivable.

At December 31, 2013, the notes portfolio consisted of 23 notes that bear interest at rates ranging from 0% to 5% and mature at various dates through September 8, 2022.

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

Fiscal Year	<u>Principal Maturity</u>	<u>Interest</u>
2014	\$ 152,198	\$ 7,320
2015	98,853	4,333
2016	60,927	2,398
2017	26,668	1,268
2018	14,083	503
2019-2022	6,698	465
	<u>\$ 359,427</u>	<u>\$ 16,286</u>

WYOMING COUNTY BUSINESS CENTER, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 6. FUNCTIONAL EXPENSES

The costs of providing program services and other activities have been allocated on a functional basis as follows:

	<u>2013</u>	<u>2012</u>
Program services	\$ 129,003	\$ 112,677
Management and general	<u>14,698</u>	<u>24,022</u>
	<u>\$ 143,701</u>	<u>\$ 136,699</u>

NOTE 7. NET POSITION

The Center has received pass-through Micro HUD grant funds from Wyoming County. Under the provisions of the grant, annual program revenues in excess of \$25,000 are restricted to the Micro HUD loan program. Restricted net assets amounted to \$221,027 and \$133,378 at December 31, 2013 and 2012, respectively.

The Center is also the pass through recipient of a Community Development Block Grant from Wyoming County. The Board intends to use the program revenues from this grant for the maintenance of a revolving loan program.

The Center's policy is to designate all unrestricted net position for the maintenance of the loan program.



**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 Center, Inc.

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 Center, Inc. (the Center), as of and for the year ended December 31, 2013, and the related notes to the financial statements, which collectively comprise the Center's basic financial statements, and have issued our report thereon dated March 26, 2014.

Internal Control Over Financial Reporting

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

Freed Maxick CPAs, P.C.

Batavia, New York
March 26, 2014



INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Directors of the
Wyoming County Business Center, Inc.

We have examined Wyoming County Business Center, Inc.'s (the Center) compliance with the New York State Comptroller's Investment Guidelines for Public Authorities and Section 2925 of the New York State Public Authorities Law (collectively, the "Investment Guidelines") for the year ended December 31, 2013. Management is responsible for the Center's compliance with those requirements. Our responsibility is to express an opinion on the Center's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Center's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Center's compliance with specified requirements.

In our opinion, the Center complied, in all material respects, with the aforementioned requirements for the year ended December 31, 2013.

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

Freed Maxick CPAs, P.C.

Batavia, New York
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