

**CATTARAUGUS COUNTY ECONOMIC  
SUSTAINABILITY AND GROWTH  
CORPORATION**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2020**

**CATTARAUGUS COUNTY ECONOMIC  
SUSTAINABILITY AND GROWTH  
CORPORATION**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors

***Cattaraugus County Economic Sustainability and Growth Corporation***

### **Report on Financial Statements**

We have audited the accompanying financial statements of ***Cattaraugus County Economic Sustainability and Growth Corporation [CCESGC]*** (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities and cash flows for the year then ended, and the related notes to the statements.

### ***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 opinions on these financial statements based on our audit. We conducted our audit 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 obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Opinion***

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

### ***Report on Summarized Comparative Information***

We have previously audited ***CCESGC's*** 2019 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated February 29, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2021, on our consideration of **CCESGC'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 **CCESGC's** internal control over financial reporting and compliance.

*Bysiek CPA, PLLC*

**BYSIEK CPA, PLLC  
MARCH 15, 2021  
OLEAN, NY 14760**

**CATTARAUGUS COUNTY ECONOMIC SUSTAINABILITY AND GROWTH CORPORATION**  
**STATEMENTS OF FINANCIAL POSITION**

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<i>As of December 31,</i>	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
Current assets		
Cash	\$ 185,356	\$ 152,042
Notes receivable, current portion	54,202	53,409
Total current assets	<u>239,558</u>	<u>205,451</u>
Other assets		
Notes receivable, long-term portion	409,580	440,527
Total assets	<u>\$ 649,138</u>	<u>\$ 645,978</u>
<b>Liabilities and Net Assets</b>		
Net assets without donor restrictions	<u>\$ 649,138</u>	<u>\$ 645,978</u>

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*See independent auditor's report and accompanying notes to the financial statements*

**CATTARAUGUS COUNTY ECONOMIC SUSTAINABILITY AND GROWTH CORPORATION**  
**STATEMENTS OF ACTIVITIES**

*For the Year Ended December 31,*

	<u>2019</u>	<u>2019</u>
<b>Revenue</b>		
Interest income	\$ 7,410	\$ 15,428
Grants	-	10,123
Total revenue	<u>7,410</u>	<u>25,551</u>
<b>Expenses</b>		
Program services	-	-
Management and general	4,250	18,780
Total expenses	<u>4,250</u>	<u>18,780</u>
<b>Change in net assets</b>	<u>3,160</u>	<u>6,771</u>
<b>Net assets, beginning of year</b>	<u>645,978</u>	<u>639,206</u>
<b>Net assets, end of year</b>	<u>\$ 649,138</u>	<u>\$ 645,978</u>

**CATTARAUGUS COUNTY ECONOMIC SUSTAINABILITY AND GROWTH CORPORATION**  
**STATEMENTS OF FUNCTIONAL EXPENSES**

*For the year ended December 31,*

	<b>2020</b>			<b>2019</b>	
	<b>Program Services</b>	<b>Management and General</b>	<b>Total</b>	<b>Total</b>	
Professional fees	\$ -	\$ 4,250	\$ 4,250	\$	18,740
Office expenses	-	-	-		40
Total expenses	<u>\$ -</u>	<u>\$ 4,250</u>	<u>\$ 4,250</u>	<u>\$</u>	<u>18,780</u>

<i>For the Year Ended December 31,</i>	<b>2020</b>	<b>2019</b>
<b>Cash flows from operating activities</b>		
Receipts	\$ 7,410	\$ 25,551
Payments	(4,250)	(18,780)
	3,160	6,771
<b>Cash flows from investing activities</b>		
Receipts from notes receivable	30,154	35,909
Proceeds from (payments on) notes receivable	-	(260,345)
	30,154	(224,436)
<b>Net change in cash</b>	33,314	(217,664)
<b>Cash, beginning of year</b>	152,042	369,706
<b>Cash at end of year</b>	\$ 185,356	\$ 152,042



## NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

A. Organization and Nature of Activities

**Cattaraugus County Economic Sustainability and Growth Corporation (CCESGC)** is a non-profit corporation formed to promote economic growth in Cattaraugus County through the attraction of new business and industry and the retention of existing businesses by providing resources that enable development and advance the well-being of the communities. **CCESGC** received tax-exempt status under 501(c)(3) of the Internal Revenue Code on May 13, 2019.

B. Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting, recognizing revenues when earned and expenses when incurred.

C. Cash and Cash Equivalents

Cash and cash equivalents consist of amounts held in checking and savings accounts, as well as any certificates of deposits with maturities of less than 90 days. At year-end and throughout the year, the Organization's cash balances were deposited in one bank. As of December 31, 2020 and 2019, the Organization's deposits did not exceed FDIC limits.

D. Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards Codification Topic 958, *Financial Statements of Not-for-Profit Organizations*. Under Topic 958, the Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. As of December 31, 2020 and 2019, **CCESGC** did not have any net assets with donor restrictions.

E. Property and Equipment

It is the Organization's policy to capitalize additions of equipment, furniture and other long-lived assets. Such amounts are reported at historical cost. Amounts incurred related to ongoing repairs and maintenance are expensed. Donated assets are capitalized at fair market value. Capital assets are depreciated using the straight-line method over their estimated useful lives.

F. Functional Expenses

Expenses are summarized and categorized based on their functional classification as either program or supporting services. Expenses that are readily identifiable to a specific program or supporting service are charged directly to that service. Expenses attributable to more than one program or supporting service are allocated on a reasonable basis that is consistently applied.

G. Revenue and Revenue Recognition

Revenues and other support on the statements of activities are reported as either *Without Donor Restrictions* or *With Donor Restrictions* depending on the existence and/or nature of any donor restrictions. **CCESGC's** grant awards constitute non-exchange transactions, requiring application of the contribution accounting model, according to the provisions of ASU 2019-08. There are currently no conditions that contain a barrier; as such, grant revenues are recognized as unconditional contributions (although still labeled as grants in the financial statements). The Organization's grants do not have restrictions as defined by ASC 958-605-45-4), allowing for the recognition of grant revenue as an increase in net assets without donor restrictions when earned.

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES (CONTINUED)**H. Date of Management's Review

Management has reviewed events and transactions through March 15, 2021, which is the date the accompanying financial statements were available to be issued.

I. Income Taxes

The Internal Revenue Service has classified **CCESGC** as exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code. It has been determined that the Organization operates as a public charity and not as a private foundation. Accordingly, no provision for income taxes has been reflected in the accompanying financial statements. The Organization will file a Return for Organization Exempt from Income Tax (Form 990) with the Internal Revenue Service. This return will remain open for examination by taxing authorities for a period of three years.

J. Contingencies

**CCESGC** periodically receives grants from governmental sources and uses the proceeds to fund loans and grants to local companies. Future funding is dependent on current economic conditions and community needs as defined by governmental units. The contracts related to these programs could be terminated or significantly reduced with minimal notice. In addition, the contracts are subject to audit by government agencies. Such audits may result in disallowances and a request for a return of funds. The Organization believes any such disallowances would be minimal.

K. Liquidity Management

As part of the Organization's liquidity management, it structures its financial assets to be available as general expenditures, liabilities and other obligations come due. The Organization's financial assets available within one year of the financial statement date for general expenditures include cash on deposit of \$185,356 and \$152,042 at December 31, 2020 and 2019, respectively.

**NOTE 2: NOTES RECEIVABLE**

**CCESGC** has two notes receivable from local companies summarized as follows:

<b>Loan</b>	<b>Amount Financed</b>	<b>2020</b>	<b>2019</b>
		<b>Balance due</b>	
3% note, receivable in 60 monthly installments of \$2,602 including principal and interest plus one balloon payment at the end of the loan term. Payments commencing February 2019; final payment is due April 2022.	\$269,500	\$229,999	\$248,019
2% note, receivable in 100 monthly installments of \$2,829, including principal and interest. Payments commencing July 2019; final payment is due September 2019.	260,345	233,782	245,916
Notes receivable, total		463,781	493,935
Less: current portion		(54,202)	(53,409)
Notes receivable, long-term		\$409,579	\$440,526

**NOTE 3: SUBSEQUENT EVENTS**

The Organization has evaluated events and transactions through March 15, 2021, the date the financial statements were available to be issued. The COVID-19 pandemic continues to have a notable impact on general economic conditions, including, but not limited to, the temporary closures of many businesses, funding cuts, and reduced consumer spending and giving. The extent and impact of the pandemic on **CCESGC** and its operations are uncertain and cannot be reasonably estimated at this time. The Organization continues to monitor the impact of the COVID-19 outbreak and its related impact on business, financial conditions, operating results and cash flows.



**INDEPENDENT AUDITOR'S 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**

**To the Board of Directors**

***Cattaraugus County Economic Sustainability and Growth Corporation (CCESGC)***

We have audited, in accordance with the 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 **CCESGC** (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 15, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered **CCESGC'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 **CCESGC's** internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 a 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 over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that may have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether **CCESGC'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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Bysiek CPA, PLLC*

**BYSIEK CPA, PLLC  
MARCH 15, 2021  
OLEAN, NY 14760**

**Section I – Summary of Audit Results**

1. The auditor's report expresses an unmodified opinion on the financial statements of *Cattaraugus County Economic Sustainability and Growth Corporation*.
2. No significant deficiencies relating to the audit of the financial statements were reported in the Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Governmental Auditing Standards*.
3. No instances of noncompliance material to the financial statements of Cattaraugus County Land Bank Corporation were disclosed during the audit as reported in the Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Governmental Auditing Standards*.

**Section II – Audit Findings**

**A. Internal Control Over Financing Reporting**

There were no findings related to internal control over financial reporting for the year ending December 31, 2020.

**B. Compliance and Other Matters**

There were no compliance findings noted for the year ending December 31, 2020.

**Section III – Summary Schedule of Prior Audit Findings**

**A. Internal Control Over Financing Reporting**

There were no findings related to internal control over financial reporting for the year ending December 31, 2019.

**B. Compliance and Other Matters**

There were no compliance findings noted for the year ending December 31, 2019.