

**BROOME COUNTY  
LAND BANK CORPORATION**

**Financial Statements**

**December 31, 2019 and 2018**

**(With Independent Auditors' Report Thereon)**

BROOME COUNTY LAND BANK CORPORATION

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## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
Broome County Land Bank Corporation:

### Report on the Financial Statements

We have audited the accompanying financial statements of the Broome County Land Bank Corporation (the Corporation) as of and for the years ended December 31, 2019 and 2018, and the related notes to financial statements, which collectively comprise the Corporation's 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 Corporation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Broome County Land Bank Corporation as of December 31, 2019 and 2018, and the respective changes in financial position and 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 management's discussion and analysis on pages 3 through 5 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.

### Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated April 21, 2020, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Corporation's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York  
April 21, 2020

# BROOME COUNTY LAND BANK CORPORATION

## Management's Discussion and Analysis

December 31, 2019

As management of the Broome County Land Bank Corporation (the Corporation), we offer readers of the Corporation's financial statements this narrative overview and analysis of the financial activities of the Corporation for the year ended December 31, 2019.

### Financial Highlights

The assets of the Corporation exceeded its liabilities at the close of the most recent fiscal year by \$597,918 (net position).

The Corporation's total assets are comprised primarily of grant proceeds received from the Community Revitalization Initiatives (CRI) grant program funded by the New York State (NYS) Office of the Attorney General. The NYS Office of the Attorney General awarded the Corporation four grants. The first grant, a capacity building grant, in the amount of \$150,000 had a 12-month term commencing December 1, 2013 through November 30, 2014. The second grant in the amount of \$805,401 originally had a 24-month term commencing January 1, 2015 through December 31, 2016 but was extended through December 31, 2017. The third grant in the amount of \$650,870 had a 24-month term commencing on January 10, 2017 through December 31, 2018 which has been extended to June 30, 2019. The fourth grant in the amount of \$1,200,000 has a 24-month term commencing on January 1, 2019 through December 31, 2020. The Corporation utilizes the grant funding to fulfill the CRI grant initiatives. The Corporation executed an administrative services agreement with Broome County for a 12-month term commencing January 1, 2019 through December 31, 2019 where the County will fund staffing positions and provide administrative services for the Corporation.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Corporation's basic financial statements. The Corporation's basic financial statements are comprised of two components: 1) corporation-wide financial statements and 2) notes to financial statements.

Corporation-wide financial statements. The corporation-wide financial statements are designed to provide readers with a broad overview of the Corporation's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Corporation's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Corporation is improving or deteriorating.

## BROOME COUNTY LAND BANK CORPORATION

### Management's Discussion and Analysis, Continued

The statement of revenue, expenses and changes in net position presents information showing how the Corporation's net position changed during the most recent fiscal year. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The corporation-wide financial statements can be found on pages immediately following this section.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the corporate-wide financial statements. The notes to the financial statements can be found following the financial statements section of this report.

#### Corporation-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of financial position. In the case of the Corporation, assets exceed liabilities by \$597,918 at the close of the most recent fiscal year. The Corporation's net position consists primarily of grant proceeds.

	<u>Net Position</u>	
	<u>2019</u>	<u>2018</u>
Assets	\$ 607,497	639,469
Liabilities	<u>(9,579)</u>	<u>(138,043)</u>
Total net position	\$ <u>597,918</u>	<u>501,426</u>
Operating revenue	390,635	620,539
Operating expenses	<u>(294,143)</u>	<u>(458,651)</u>
Change in net position	96,492	161,888
Net position at beginning of year	<u>501,426</u>	<u>339,538</u>
Net position at end of year	\$ <u>597,918</u>	<u>501,426</u>

#### Economic Factors

The main source of project funding for NYS land banks, including the Corporation, remains grant monies through the CRI. It is unclear if future dedicated funding will extend beyond 2020. The Corporation is very fortunate to have received an administrative in-kind grant from Broome County to cover its administrative expenses for 2019. The grant allowed the Corporation to utilize more of its CRI grant funds for its projects. The Corporation will continue to look for funding opportunities to further its mission to foster community and economic development by acquiring, holding, managing, developing and marketing distressed, vacant, abandoned and under-utilized properties. Each year, the Corporation will evaluate opportunities for investment of its resources in furthering this mission.

BROOME COUNTY LAND BANK CORPORATION  
Management's Discussion and Analysis, Continued

Requests for Information

This financial report is designed to provide a general overview of the Corporation's finances for all those with an interest in the Corporation's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Broome County Land Bank Corporation, County Office Building, 5<sup>th</sup> Floor, P.O. Box 1766, Binghamton, New York 13902-1766.

BROOME COUNTY LAND BANK CORPORATION  
 Statements of Net Position  
 December 31, 2019 and 2018

	<u>Assets</u>	<u>2019</u>	<u>2018</u>
Assets:			
Cash		\$ 465,571	537,202
Prepaid insurance		-	3,425
Property held for resale		<u>141,926</u>	<u>98,842</u>
Total assets		<u>\$ 607,497</u>	<u>639,469</u>
<u>Liabilities and Net Position</u>			
Liabilities:			
Accounts payable		6,601	3
Due to other governments		-	1,333
Deferred revenue		<u>2,978</u>	<u>136,707</u>
Total liabilities		<u>9,579</u>	<u>138,043</u>
Net position - unrestricted		<u>\$ 597,918</u>	<u>501,426</u>

See accompanying notes to financial statements.

BROOME COUNTY LAND BANK CORPORATION  
 Statements of Revenue, Expenses and Changes in Net Position  
 Years ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Operating revenue:		
Grant income:		
NYS Office of the Attorney General - Round 3	\$ 284,270	313,342
NYS Office of the Attorney General - Round 4	21,706	-
Other grants	17,653	223,728
In-kind grant - Broome County	<u>67,006</u>	<u>83,469</u>
Total operating revenue	<u>390,635</u>	<u>620,539</u>
Operating expenses:		
Salaries and benefits - in-kind - Broome County	67,006	83,469
Contracted services and professional fees	13,050	4,500
Insurance	6,141	5,689
Office and computer	2,729	2,312
Joint venture project expenditures	84,465	255,286
Travel and conferences	199	118
Loss on sale of property	<u>120,553</u>	<u>107,277</u>
Total operating expenses	<u>294,143</u>	<u>458,651</u>
Net operating income	96,492	161,888
Net position at beginning of year	<u>501,426</u>	<u>339,538</u>
Net position at end of year	<u>\$ 597,918</u>	<u>501,426</u>

See accompanying notes to financial statements.

BROOME COUNTY LAND BANK CORPORATION  
Statements of Cash Flows  
Years ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities:		
Grants and fees	\$ 189,900	638,800
Sale of properties	6,501	208,372
Payments for acquisitions	(170,138)	(328,578)
Contractual expenses	(97,695)	(459,089)
Travel and conferences expenses	<u>(199)</u>	<u>(118)</u>
Net cash provided by (used in) operating activities	(71,631)	59,387
Cash at beginning of year	<u>537,202</u>	<u>477,815</u>
Cash at end of year	<u>\$ 465,571</u>	<u>537,202</u>
Reconciliation of net operating income to net cash provided by (used in) operating activities:		
Net operating income	96,492	161,888
Adjustments to reconcile net operating income to net cash provided by (used in) operating activities:		
Changes in:		
Prepaid insurance	3,425	-
Property held for resale	(43,084)	(12,929)
Accounts payable	6,598	(191,302)
Due to other governments	(1,333)	-
Deferred revenue	<u>(133,729)</u>	<u>101,730</u>
Net cash provided by (used in) operating activities	<u>\$ (71,631)</u>	<u>59,387</u>
Supplemental schedule of cash flow information:		
In-kind grant - Broome County	<u>\$ 67,006</u>	<u>83,469</u>
Salaries and benefits	<u>\$ 67,006</u>	<u>83,469</u>

See accompanying notes to financial statements.

# BROOME COUNTY LAND BANK CORPORATION

## Notes to Financial Statements

December 31, 2019 and 2018

### (1) Summary of Significant Accounting Policies

#### (a) Nature of Activities

The Broome County Land Bank Corporation (the Corporation) was established in June 2013 to foster economic and community development by acquiring, holding, managing, developing and marketing distressed, vacant, abandoned and underutilized properties in Broome County, New York (the County) through the use of funds and powers granted under the New York State (NYS) Community Revitalization Initiative Program (CRI) administered by the NYS Office of the Attorney General. The Corporation was formed by the County within the parameters of the New York Land Bank Act, under Article 16 of the New York Not-For-Profit Corporation Law.

#### (b) Revenue and Expense Recognition

The Corporation is a nonprofit corporation and is a component unit of the County. The Corporation operates as a proprietary fund (a business-type activity), distinguishing operating revenue and expenses from nonoperating items. Operating revenue is mostly comprised of grant and government subsidy revenue resulting from exchange transactions associated with the principal activities of the Corporation funded through the NYS Office of the Attorney General. Operating expenses generally result from the acquisition, demolition and renovation of properties, and general and administrative expenses in accordance with the Corporation's mission. All revenue and expenses not meeting these definitions are reported as nonoperating revenue and expenses. Revenue is recognized when earned and expenses are recorded when the liability is incurred or an economic asset is used.

#### (c) Basis of Accounting and Presentation

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position and cash flows. All assets, deferred outflows of resources, liabilities and deferred inflows of resources (whether current or noncurrent) associated with their activities are reported. Net position is classified under the following components:

Net Investment in Capital Assets - Represents capital assets, including restricted capital assets, net of accumulated depreciation. The Corporation has no capital assets as of December 31, 2019 and 2018.

Restricted Net Position - Represents net position with constraints placed on their use by either (1) external groups such as creditors or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The Corporation does not have amounts in restricted net position as of December 31, 2019 and 2018.

Unrestricted Net Position - Represents all other assets that do not meet the definition of net investment in capital assets or restricted net position.

## BROOME COUNTY LAND BANK CORPORATION

### Notes to Financial Statements, Continued

#### (1) Summary of Significant Accounting Policies, Continued

##### (c) Basis of Accounting and Presentation, Continued

It is the Corporation's policy to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

##### (d) Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

##### (e) Cash

For purposes of reporting cash flows, cash includes money market accounts and any highly liquid debt instruments purchased with a maturity of three months or less.

##### (f) Concentrations of Credit Risk

Financial instruments that potentially subject the Corporation to concentrations of credit risk consist principally of cash and equivalent accounts in financial institutions. Although the accounts exceed the federally insured deposit amount, management does not anticipate nonperformance by the financial institution.

##### (g) Income Taxes

The Corporation is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code (IRC), therefore, no provision for income taxes is reflected in the financial statements. The Corporation has been classified as a publicly supported organization that is not a private foundation under Section 509(a) of the Code. The Corporation presently discloses or recognizes income tax positions based on management's estimate of whether it is reasonably possible or probable that a liability has been incurred for unrecognized income taxes. Management has concluded that the Corporation has taken no uncertain tax positions that require adjustment in its financial statements. U.S. Forms 990 filed by the Corporation are subject to examination by taxing authorities.

##### (h) Subsequent Events

The Corporation has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

The United States is presently in the midst of a national health emergency related to the COVID-19 virus. The overall consequences of the COVID-19 virus on a national, regional and local level are unknown, but has the potential to result in a significant economic impact. The impact of this situation on the Corporation and its future results and financial position is not presently determinable.

##### (i) Reclassifications

Reclassifications have been made to certain 2018 balances in order to conform them to the 2019 presentation.

BROOME COUNTY LAND BANK CORPORATION

Notes to Financial Statements, Continued

(2) Property Held for Resale

In August 2015, the Corporation received title for two properties located on Burdick Road in Binghamton, New York and Lagrange Street in Vestal, New York. The properties were purchased by the County using funds from the Community Development Block Grant, a grant being administered by the Corporation. They are not reflected in the accounting records of the Corporation. During 2018, the Corporation sold both properties for a total of \$187,922 with an understanding with the County that all proceeds would go to the Corporation to be used for their operations of property rehabilitation. Rehabilitation costs were added to the basis of the property for the cost of the sale for a total amount of \$217,820.

In 2017, the Corporation purchased five properties from various municipalities for \$1 each. Demolition costs were capitalized as part of the properties' basis, which is reflected in the accounting records of the Corporation. During 2018, additional demolition and rehabilitation costs were capitalized and added to the basis of the properties, increasing the total to \$97,233, the properties were then sold to an unrelated party for a total of \$15,250.

In 2018, the Corporation purchased thirteen properties from municipalities for a total of \$15,011 and incurred demolition and rehabilitation costs of \$84,427, for a total property basis of \$99,438. During 2018, the Corporation sold one of these properties to an unrelated party for \$5,200. The carrying cost of such property was \$596. The remaining basis of the property held for resale is reflected in assets in the accompanying statements of net position in the amount of \$98,842 at December 31, 2018.

In 2019, the Corporation purchased four properties from various municipalities for a total of \$3. Demolition and rehabilitation costs of \$170,138 were incurred on all properties held by the Corporation. During 2019, the Corporation sold four properties to unrelated parties for a total of \$6,501. The carrying costs of such properties was \$127,054. Additionally, four other properties were transferred back to various municipalities. The remaining basis of the property held for resale is reflected in assets in the accompanying statements of net position in the amount of \$141,926 at December 31, 2019.

Activity as of and for the years ended December 31, 2019 and 2018 is as follows:

2019			
Property Held for Resale <u>12/31/2018</u>	Costs Increasing Basis of Property	Basis of Property Sold	Property Held for Resale <u>12/31/2019</u>
\$ <u>98,842</u>	<u>170,138</u>	<u>(127,054)</u>	<u>141,926</u>
Basis of Property Sold	Amount Received	Total Loss on Sale of Property	
\$ <u>(127,054)</u>	<u>6,501</u>	<u>(120,553)</u>	

BROOME COUNTY LAND BANK CORPORATION

Notes to Financial Statements, Continued

(2) Property Held for Resale, Continued

2018			
Property Held for Resale <u>12/31/2017</u>	Costs Increasing Basis of Property	Basis of Property Sold	Property Held for Resale <u>12/31/2018</u>
\$ <u>85,913</u>	<u>328,578</u>	<u>(315,649)</u>	<u>98,842</u>
Basis of Property Sold	Amount Received	Total Loss on Sale of Property	
\$ <u>(315,649)</u>	<u>208,372</u>	<u>(107,277)</u>	

(3) Grants

The Corporation received CRI grants from the NYS Office of the Attorney General, to be used for operation and acquiring and developing properties within the County. In 2017, the Corporation was awarded \$650,870 for Round 3 to be used and received from January 10, 2017 through December 31, 2018 which has been extended through June 30, 2019, administered through Enterprise Community Partners. As of December 31, 2019, the Corporation has received a total of \$650,870 and expended \$650,870 of the Round 3 grant, resulting in the grant being fully spent and received.

In 2019, the Corporation was awarded \$1,200,000 for Round 4 to be used and received from January 1, 2019 through December 31, 2020, administered through Enterprise Community Partners. As of December 31, 2019, the Corporation has received a total of \$24,684 and expended \$21,706 of the Round 4 grant, resulting in a deferral of \$2,978.

Grant activity through the years ended December 31, 2019 and 2018 is as follows:

	NYS Office of the Attorney General Grant	
	<u>2019</u>	<u>2018</u>
Total Round 3 grant awarded	\$ 650,870	650,870
Less expenditures incurred to date	<u>(650,870)</u>	<u>(366,597)</u>
Total remaining on Round 3 grant	_____ -	<u>284,273</u>
Total Round 3 grant received to date	650,870	503,304
Less expenditures incurred to date	<u>(650,870)</u>	<u>(366,597)</u>
Total deferred to subsequent year	\$ _____ -	<u>136,707</u>

BROOME COUNTY LAND BANK CORPORATION

Notes to Financial Statements, Continued

(3) Grants, Continued

	<u>2019</u>	<u>2018</u>
Total Round 4 grant awarded	\$ 1,200,000	-
Less expenditures incurred to date	<u>(27,106)</u>	<u>-</u>
Total remaining on Round 4 grant	<u>1,178,294</u>	<u>-</u>
Total Round 4 grant received to date	24,684	-
Less expenditures incurred to date	<u>(21,706)</u>	<u>-</u>
Total deferred to subsequent year	\$ <u>2,978</u>	<u>-</u>

(4) In-Kind Grant - Broome County

The County, through budget resolution, provided administrative support for salaries and benefits to the Corporation of \$67,006 and \$83,469 for the years ended December 31, 2019 and 2018, respectively.

(5) Joint Venture Project Expenditures

In 2017, the Corporation entered into a memorandum of understanding with the Village of Windsor, First Ward Action Council, Inc., the County and the City of Binghamton. In all agreements, the Corporation agreed to aid and assist with the cost of demolition and site work for properties owned by each entity. The amount committed in total was \$272,791. In 2018, the Corporation expended \$2,896 under these agreements, which is included in the accompanying statements of revenue, expenses and changes in net position in operating expenses. The 2018 expenditures fulfilled the agreements.

In 2018, the Corporation entered into a memorandum of understanding with the Village of Endicott, the Goodwill Theatre, Inc., Town of Kirkwood, Windsor Central School District and First Ward Action Council, Inc. In all agreements, the Corporation agreed to aid and assist with the cost of demolition and site work for properties owned by each entity. The amount committed in total was \$360,542. In 2019 and 2018, the Corporation expended \$108,152 and \$252,390, respectively, under these agreements, which is included in the accompanying statements of revenue, expenses and changes in net position in operating expenses.

In 2019, the Corporation entered into a memorandum of understanding with the Town of Vestal. In the agreement, the Corporation agreed to aid and assist with the cost of demolition and site work for properties owned by the Town of Vestal. The amount committed in total was \$6,600. In 2019, the Corporation expended \$6,600 under this agreement, which is included in the accompanying statements of revenue, expenses and changes in net position in operating expenses.

BROOME COUNTY LAND BANK CORPORATION

Notes to Financial Statements, Continued

(5) Joint Venture Project Expenditures, Continued

	2017	2018	2019	Total
	<u>Agreements</u>	<u>Agreements</u>	<u>Agreements</u>	<u>Total</u>
Amount committed	\$ 272,791	360,542	6,600	639,933
2017 expenditures	(269,895)	-	-	(269,895)
2018 expenditures	(2,896)	(252,390)	-	(255,286)
2019 expenditures	<u>-</u>	<u>(108,152)</u>	<u>(6,600)</u>	<u>(114,752)</u>
Amount remaining	\$ <u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**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 GOVERNMENT AUDITING STANDARDS**

The Board of Directors  
Broome County Land Bank Corporation:

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 Broome County Land Bank Corporation (the Corporation), which comprise the statement of net position as of December 31, 2019, and the related statements of revenue, expenses and changes in net position and cash flows for the year then ended, and the related notes to financial statements, and have issued our report thereon dated April 21, 2020.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Corporation'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 Corporation'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 Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

EFPR Group, CPAs, PLLC

Williamsville, New York  
April 21, 2020