

**COUNTY OF CATTARAUGUS
INDUSTRIAL DEVELOPMENT AGENCY**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED DECEMBER 31, 2020
WITH SUMMARIZED COMPARATIVE 2019 INFORMATION**

**COUNTY OF CATTAUGUS
INDUSTRIAL DEVELOPMENT AGENCY**

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**COUNTY OF CATTARAUGUS INDUSTRIAL DEVELOPMENT AGENCY
FOR THE YEAR ENDED DECEMBER 31, 2020
WITH SUMMARIZED COMPARATIVE 2019 INFORMATION**

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**JOHNSON, MACKOWIAK
& ASSOCIATES, LLP**

Certified Public Accountants & Consultants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
County of Cattaraugus Industrial Development Agency
Ellicottville, New York 14731

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of the County of Cattaraugus Industrial Development Agency, a component unit of Cattaraugus County, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Agency'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.

Auditors' 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 have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the County of Cattaraugus Industrial Development Agency, as of December 31, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof 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 the Agency's 2019 financial statements, and our report dated March 13, 2020, expressed an unmodified opinion on those audited financial statements. 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 Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Proportionate Share of the Net Pension Liability and the Schedule of Agency Contributions on pages 3-12 and 29-30 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County of Cattaraugus Industrial Development Agency's basic financial statements. The supplemental information schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplemental schedules are the responsibility of management and were derived from and relate 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 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 8, 2021, on our consideration of the County of Cattaraugus Industrial Development 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 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 County of Cattaraugus Industrial Development Agency's internal control over financial reporting and compliance.

Johnson, Mackowiak & Associates, LLP

JOHNSON, MACKOWIAK & ASSOCIATES, LLP

Fredonia, New York
March 8, 2021

**MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020 WITH COMPARATIVE 2019 INFORMATION**

As management of the County of Cattaraugus Industrial Development Agency, a component unit of Cattaraugus County, we offer readers of the Agency's financial statements this narrative overview and analysis of the financial activities of the Agency for the year ended December 31, 2020.

FINANCIAL HIGHLIGHTS

The Agency's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by \$1,344,283 for the fiscal year reported. This compares to the previous year when assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,189,914.

Total net position comprises the following:

1. Net investment in capital assets of \$247,809 includes property and equipment, net of accumulated depreciation.
2. Unrestricted net position of \$1,096,474 represents the portion available to maintain the Agency's continuing obligations to citizens and creditors.

Agency revenue for the year ended 2020 totaled \$516,961 of which \$506,313 was from charges for services provided by the Agency and \$7,564 was earned from investments.

In 2020, the Agency induced nineteen direct projects for a net investment of just under \$120,000,000 in total private sector project costs.

In 2020, the Agency reported a gross revenue increase from previous years and an increase in net position. In addition, the Agency has roughly \$75,000,000 of approved projects that are ready to close when the project applicants are ready to do so, thus giving the Agency a healthy backlog of approved projects that will generate fee income when they close.

Since January 1, 2012 the County of Cattaraugus IDA & Cattaraugus County Capital Resource Corporation have conducted 79 Board Meetings, which in turn has induced 99 direct projects. In addition, the CCIDA/CCCRC have acted as an advisor on 19 additional projects within Cattaraugus County.

In late 2009, with the help of the Cattaraugus County Legislature, the Agency formed the Capital Resource Corporation (CRC) to assist 501 (c) (3) entities within Cattaraugus County. The CRC recently (2018) had a bond reissuance with Jamestown Community College to allow the College to take advantage of cheaper interest rates. The Agency could potentially see further activity with the CRC in 2021.

For the year ended December 31, 2020, the Agency's expenses totaled \$362,592. This includes the administrative expense of the CRC. The Agency's largest expense was for personal services and related employee benefits, which accounted for 41 percent of all expenses. Contractual expenses, such as rent, utilities, and professional services accounted for 33 percent of the Agency's total expenses. The Agency also reported depreciation of \$630.

2020 proved to be another busy, exciting and somewhat challenging year for the County of Cattaraugus Industrial Development Agency (CCIDA). The Covid-19 pandemic surely proved to make 2020 a challenging and ever so changing year for the Agency and the businesses that they serve. Over the past several years, the Agency has continued to implement and change their business operations in how the CCIDA can not only promote & assist economic development expansion projects, but have looked for ways to value retention projects as well, throughout the County, as evidenced with a few key projects in 2020.

As with everything, the Agency is faced with many challenges. With the ever-changing economy along with more and more companies having a global footprint (i.e. purchases/acquisitions of existing Companies,

tighter budgets, etc.) pose some obstacles for them. There is no "silver bullet" when it comes to economic development, rather lines of communications and processes will always have to be identified, refined and implemented to the best of our ability.

The CCIDA continues to make great effort and strides to transform itself in a very positive way to the business community. The Agency has supported projects to further assist small business-related projects (i.e. Worthy Pharmacy & 3M Property Management, LLC.) and once again proved the merit of establishing the Adaptive Reuse Program, via the support of the vital and key project of the Manny-Hanny Building. The Agency's Tourism Policy also came into play in regards to development projects in Ellicottville, relating to several key upgrades at Holiday Valley in 2020.

In 2021 the Agency will continue to modify, change and implement programs and policies to help keep the local businesses more competitive in this global market. The Agency will continue to work hard, as a County wide "Team" approach.

It is to be noted that what is outlined below could not and would not have been possible without the direction, guidance and most of all the support, from the CCIDA Board Members, Staff & the Counsel. Many thanks as well to all members of the County of Cattaraugus Legislature for their input, thoughts and support, as it's been invaluable to us and our business community here in the County.

Many thanks also go to the members of the Cattaraugus County Economic Development Team, their assistance and help is greatly appreciated.

2020 CCIDA INDUCED PROJECTS (Private Sector Investment in Cattaraugus County):

1. 3M Property Management LLC	\$ 250,000
2. Allegany CSG LLC	9,062,000
3. Essential American Products Inc.	1,000,000
4. GSPP 4474 Birch Run Road LLC	5,900,000
5. Machias PV, LLC – RIC New York LLC	3,100,000
6. Manny Hanny Development LLC	11,725,000
7. Olean Area Federal Credit Union	1,500,000
8. Omni Navitas Renewables LLC – 8613 Dake Hill Rd. Parcel A	8,680,000
9. Omni Navitas Renewables LLC – 8609 Dake Hill Rd. Parcel B	8,680,000
10. Omni Navitas Renewables LLC – 8609 Dake Hill Rd. Parcel C	8,680,000
11. Omni Navitas Renewables LLC – 4578 Felton Hill Rd. West	8,780,000
12. Omni Navitas Renewables LLC – 4578 Felton Hill Rd. East	8,496,232
13. Portville CSG 1 LLC	8,062,000
14. Portville CSG 3 LLC	8,754,939
15. Portville CSG 4 LLC	8,425,950
16. River Valley Solar LLC	11,500,000
17. Win Sum Ski Corp.	3,000,000
18. Win-Sum Ski Corp.	4,000,000
19. Worthy Pharmacy	500,000

***Total IDA Inducements/Project (Investment) Amounts:** \$ 120,096,121

**Newly Created Policies/Procedures & Economic Development Initiatives to further assist
Economic Growth throughout Cattaraugus County:**

- **Implemented a Commercial Solar PILOT:** Due to the ever-increasing number of proposed commercial solar projects in Cattaraugus County, the IDA Board saw fit to create a separate PILOT Policy for these proposed projects. With the help and direction of the Board, County Legislature and Counsel, the Agency adopted a Policy that continues to be refined and driven to protect the County, towns and landowners. Since adoption of this policy, the IDA has consulted several IDA's across the State on how the Agency went about communicating and working with not only developers, but local taxing jurisdictions and landowners to adopt a policy that works.
- **Cattaraugus County IDA announces Sales Tax initiative for Companies producing Personal Protection Equipment:** The CCIDA will provide up to \$99,000 in sales tax exemptions for companies making PPE for medical staff at provider institutions such as hospitals and acute care facilities, first responders, home health aides and others that provide direct care to patients. Companies purchasing materials, supplies and equipment to be able to manufacture medical and hospital devices, disinfectants and sanitizers, sterilizing and sanitizing equipment, medicines and pharmaceuticals and over the counter products are eligible for the sales tax exemption.
- **COVID 19 Virus Updates:** Due to the ever-changing landscape that society faced in 2020 due to the Coronavirus, the Agency was in weekly contact with State and Federal elected Leaders and also with Empire State Development on fielding questions, concerns and issues that some Companies are facing during this crisis.

The IDA conveyed various new loan programs from the SBA to business contacts within the County, and has kept in touch with the County economic development, STW, WIB, multiple Loan Boards, etc. The Agency worked hard to stay on top of this and keep the businesses apprised of any and all programs that they may be eligible for during these challenging and ever-changing times.

-Weekly CCIDA Stakeholder Updates and email blasts were added to a newly created "Covid-19 Tab" on the website for reference and information.

- **Congressmen Reed's "Regional Economic Recovery Team":** In May of 2020 the executive director was added to Congressman's Reed's Regional Economic Recovery Team to work with businesses within the Region.
- The executive director was also added to the **WNY Regional Council Work Group for Advanced Manufacturing**. Multiple meetings have been conducted to date with a plan to be of assistance to the Agency's manufacturing base in the event the Covid-19 Pandemic rears back up.
- **Resolution regarding Uniform Project Criteria** – This Policy meets the requirements of Section 859-a of the General Municipal Law. The major reason for adopting this immediately is Section 3€ , which would provide a basis for rejecting (without a public hearing) an application opposed by the County or a local government.
- **Outreach to Municipalities & Stakeholders:** Even through the Covid Pandemic the Agency worked very hard to meet with as many local municipalities and taxing jurisdictions as possible.

The Agency continues to strive to be in touch and contact with 32 Towns, 9 Villages, 2 Cities and 13 School Districts as much as possible to make them aware of the IDA's programs, policies and PILOTS, and how that may affect them. In 2021, the Agency plans to continue to build off of this and continue to reach out.

- Carrying the Agency's mission and message will continue to be a paramount endeavor. Presentations, letters to the editor and public hearings will all help to achieve this endeavor. Over the past year, the executive director was able to present the benefits of the Agency to *Buffalo Niagara Partnership, the IBN, NYSEDC & NYSCAR, and others.*

➤ **Board Member of the Can-Am Council:** The Can-Am Council is comprised of representatives from member companies engaged in cross border commerce and oversees an agenda focused on bi-national relationship-building, joint planning, border advocacy and business-to-business interaction. *Let's hope 2021 sees a return of Canadian friends and business owners and trade and tourism return to normal.*

➤ **The CCIDA continued as a Board Member with Invest Buffalo Niagara (IBN):** Founded in 1999, Invest Buffalo Niagara represents the eight counties of Western New York. IBN is the region's nonprofit, privately funded economic development organization focused on job creation. Their mission is to attract new employers to the Buffalo Niagara region through outreach to growing companies around the world to support business attraction, expansion and entrepreneurship. Invest Buffalo Niagara collaborates with local businesses, universities, nonprofit organizations and elected officials to deliver a unified response to regional economic development opportunities.

In mid-September of 2020, the IDA and members of IBN took part in a daylong event, hosting, showing and discussing area properties and sites. Two site selectors from NYC, who work nationally with a number of large companies, participated in the event.

➤ **Created weekly "Stakeholder Blasts":** Due to the Covid-19 Pandemic, the Agency created weekly email blasts to clients and associates. These were also posted on their website, and circulated with other Chamber of Commerce's.

With the ever-changing times in the Spring of 2020, the Agency wanted to ensure that their clients and businesses were aware of the various programs and updates were available to them. The Agency plans on continuing this service through 2021.

➤ **Continued "Project in Process" Update to Board Meetings:** Started in 2016, the Agency will continue to present a "Project in Process Update" at each Board meeting to keep the Board and public aware of how a recent IDA induced project is fairing with its development and investments. Projects will be continued to be charted, tracked and monitored.

- Also, the Agency will continue to bring in more "industry" guests to their meetings to update and present to the Board: Catt. County, STW, ESD, JCC, SBA, etc.

➤ **Continued Business Outreach & Marketing Campaigns:** Working with Partners at Invest Buffalo Niagara, Buffalo Niagara Partnership, Empire State Development, various Commercial Realtors/Real Estate Developers (NYSCAR), and NYSEDC, the Agency is always looking for ways to increase its "business attraction hit rate"; to facilitate and help businesses to locate to Cattaraugus County.

➤ **Commercial Sites and land:** The Agency is working with Cushman and Wakefield to complete an available site and land directory for the County. A hard copy and e-version is to be created. **There is a new commercial site directory on the Agency's website.**

➤ **Media Coverage:** Earl Wells III has assisted with news coverage in regards to the CCIDA Projects and PPE announcements on Channel 2 News, WBEN Morning Business Report and Olean Times Herald.

- The Agency has sent in 9 "IBN Site Requests" over the past year to possible outside businesses looking to locate to WNY, with the hopes of luring the perspective business to Cattaraugus County.

The Agency is always looking to improve on the assets of the various sites & parcels that are available within the County.

- **SNAP Lease (Small Manufacturer's):** Since approving of this program in 2018, the IDA continues to improve ways in which they can offer savings to small manufacturers within the County. In 2020, the Agency assisted one manufacturing company on sales tax abatement on purchases for their small business. This allows a nice savings at a very minimal cost associated to this program. The Agency will continue to market this to all small manufacturers within the County.
- **Continued outreach and informational presentations to Municipalities:** Over the past year, the IDA continued to meet with various impacted taxing jurisdictions to review and discuss the IDA's benefits and programs; more specifically how PILOT's "work" and what they truly are. This will be continued in 2021. In fact, the executive director's first presentation in 2021 was to the Village of Portville. The executive director feels this is a very necessary topic for the IDA to be proactive in educating the impacted taxing jurisdictions about the IDA and its programs, and how it affects each impacted taxing jurisdiction when the IDA is party to a project.
- **NYSCAR:** New York State Commercial Association of Realtors. In 2020, the executive director continued to attend the monthly Board meetings, various functions and in July of 2020, was asked to present to over 70 Real estate professionals for 45 minutes on various available parcels of land and buildings that are currently available in Cattaraugus County. This is a great group to network with and keep active in, as many of the top developers, commercial realtors, and bankers are members in this group.
- **Continued Business Outreach & Marketing Campaigns:** While working with the Agency's partners at *Invest Buffalo Niagara, Buffalo Niagara Partnership, Empire State Development, various Commercial Realtors/Real Estate Developers (NYSCAR), NYSEDC along with Mr. Greg Sehr (Upstate Consultants, LLC), the Agency is always looking for ways to increase their "business attraction hit rate"; to facilitate and help businesses locate to Cattaraugus County.*
 - **The IDA Staff and Board will also be starting a page on a social media platform (Facebook) that will focus on "Cattaraugus County ExPats", who have moved away, in hopes of luring some people back to the County. The Agency will keep this active and will continually update daily/weekly on various highlights, pictures, news stories, etc.**
 - **Commercial Sites and land:** The Agency has been working with Cushman and Wakefield to complete an available site and land directory for the County. Hard copy and e-version to be created.
 - Mr. Wiktor took part in many business networking events and engagements in the WNY Region, focused on economic development.
 - The Agency is looking to put on a networking event and meeting with various businesses to highlight the many benefits of opening up a business within the County.
- **Continued IDA "Outreach" within County/Region:** Over the past few years, the executive director has continued to spread the Agency's message regarding the various programs and benefits that the IDA has regarding economic development projects. He most recently presented to a group of County wide Assessors regarding CCIDA issued PILOT's. He educated the group on how the IDA issued PILOT's work and function.

- ❖ Since 2013 the County of Cattaraugus IDA has helped create the following employment numbers: (**as reported at the time of the Annual Audit & PARIS Reports by Company*).
 - 733- New Jobs Created
 - 3,967- Jobs Retained

Further Economic Development Enhancements-Strategies for the CCIDA:

- **Workforce Development Initiatives:** The IDA will continue to work with continuing education partners (i.e. BOCES, WIB, JCC, SBU, etc.) to continue to connect the private sector and academia to improve workforce numbers within the County. **This effort can also be collaborated with the Northland Training Center in Buffalo, along with JCC's Manufacturing Tech Center.**
- **CCIDA –Buffalo Niagara Partnership “Canada-US Outreach”:** With recent market growth of Canadian companies moving into Western New York to have an American presence, the executive director has already begun discussions with BNP in how the Agency can capture some of this economic development boom and bring some of it to Cattaraugus County. The Agency already has a captive audience due to the many Canadian visitors who visit Cattaraugus County and the ski resorts. The Agency will be dedicating significant resources and time to this endeavor in trying to lure and attract, new companies, new investments and new jobs to the County.
- **Continue to refine and maximize operations thus reducing expenses:** The Agency plans to look for ways to effectively minimize expenses without hampering the service level of operations. The Agency will also look for ways to reduce waste, postage expenses, copy costs, etc. and will continue to look at ways to maximize technology e-mail, etc.

Collaboration with the other Economic Development Departments-Teammates within Cattaraugus County:

- (1.) Over the past 9 years, a newly formed group called “Cattaraugus County Economic Development Team”** was formed. This group is comprised of the CCBDC, Southern Tier West, Cattaraugus County, City of Olean-Community Development, Cattaraugus LDC, Cattaraugus County PTAC, WIB, CCIDA, NYSDOL, and Olean Business Development Corporation.
- (2.) This group meets every other Monday to discuss various projects, ideas, and ways of assisting each other for the overall betterment of Cattaraugus County.** The IDA is fortunate to be a member of this group.
- (3.)** The group's “team” **website** has also been upgraded and enhanced for business clients to go to, to act as a “*virtual one stop*” to help and assist their business needs here in Cattaraugus County. The website's address is as follows: <http://www.ccbizhelp.com/ &www.investcattaraugus.com>
- (4.) Creation of “E-Mail Blast” to each Member of the Team when a Client Fills out Need/Request Form on website:** E-Mail notification gets sent out to each team member to notify the group that a perspective business client is requesting information/help/guidance, etc. The group uses an “Internal Listserv” to keep all in the loop and communication going.

OVERVIEW OF THE FINANCIAL STATEMENTS

The management's discussion and analysis introduces the Agency's basic financial statements. The basic financial statements include the governmentwide financial statements and the notes to the financial statements. The Agency also includes additional information to supplement the basic financial statements.

Governmentwide Financial Statements

The Agency's annual report includes two governmentwide financial statements. These statements provide both long-term and short-term information about the Agency's overall status. Financial reporting at this level uses a perspective similar to that found in the private sector with its basis in full accrual accounting and elimination or reclassification of internal activities.

The first of these governmentwide statements is the statement of net position. This is the governmentwide statement of position presenting information that includes all of the Agency's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference 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 Agency as a whole is improving or deteriorating. In addition to the information provided in this report, an evaluation of the overall economic health of the Agency would extend to other nonfinancial factors, such as the overall economic climate in Cattaraugus County.

The second governmentwide statement is the statement of activities, which reports how the Agency's net position changed during the current fiscal year. All current year revenues and expenses are included regardless of when cash is received or paid. An important purpose of the design of the statement of activities is to show the financial reliance of the Agency's distinct activities or functions on revenue earned by the Agency. Both of the governmentwide financial statements detail the Agency's business-type activities that are principally supported by application fees.

A fund is an accountability unit used to maintain control over resources that have been segregated for specific activities or objectives. The Agency, like other state and local governmental units, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Agency has only one type of fund, a proprietary fund. This fund generally reports services for which the Agency charges a fee.

Notes to the Financial Statements

The accompanying notes to the financial statements provide information essential to a full understanding of the governmentwide and fund financial statements. The notes to the financial statements are located directly after the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information concerning the Agency. Supplemental information follows the notes to the financial statements.

FINANCIAL ANALYSIS OF THE AGENCY AS A WHOLE

As of December 31, 2020, the County of Cattaraugus Industrial Development Agency had a net position of \$1,344,283. The following table provides a summary of the Agency's net position as of the years ended December 31, 2020 and 2019.

	Business-Type Activities		
	2020	2019	Variance
Assets			
Current and Restricted Assets	\$ 1,161,667	978,812	182,855
Capital Assets	247,809	248,439	(630)
Total Assets	<u>1,409,476</u>	<u>1,227,251</u>	<u>182,225</u>
Deferred Outflows of Resources	<u>127,554</u>	<u>44,166</u>	<u>83,388</u>
Liabilities			
Current Liabilities	2,105	3,904	(1,799)
Long-Term Liabilities	175,874	48,470	127,404
Total Liabilities	<u>177,979</u>	<u>52,374</u>	<u>125,605</u>
Deferred Inflows of Resources	<u>14,768</u>	<u>29,129</u>	<u>(14,361)</u>
Net Position			
Net Investment in Capital Assets	247,809	248,439	(630)
Unrestricted	1,096,474	941,475	154,999
Total Net Position	<u>\$ 1,344,283</u>	<u>1,189,914</u>	<u>154,369</u>

The Agency's total assets and deferred outflows of resources increased \$265,613 to \$1,537,030 at December 31, 2020. The Agency's net investment in capital assets decreased \$630 over the prior year.

Total liabilities and deferred inflows of resources increased by \$111,244 to \$192,747 at December 31, 2020.

The following table provides a summary of the Agency's changes in net position for the years ended 2020 and 2019.

	Business-Type Activities			
	2020	% of Totals	2019	% of Totals
Revenues				
Charges for Services	\$ 506,313	97.9%	139,317	87.1%
Other Income	3,084	0.6%	5,904	3.7%
Investment Earnings	7,564	1.5%	14,727	9.2%
Total Revenue	<u>\$ 516,961</u>	<u>100.0%</u>	<u>159,948</u>	<u>100.0%</u>
Expenses				
Personal Services	\$ 149,986	41.4%	148,003	48.8%
Contractual Expenses	120,177	33.1%	100,103	33.0%
Employee Benefits	91,799	25.3%	54,099	17.8%
Depreciation Expense	630	0.2%	1,092	0.4%
Total Expense	<u>362,592</u>	<u>100.0%</u>	<u>303,297</u>	<u>100.0%</u>
Change in Net Position	<u>\$ 154,369</u>		<u>(143,349)</u>	

The Agency's total net position increased \$154,369. The following summarizes results of operations for 2020:

Operating revenue for the year ended December 31, 2020, was \$509,397 which consisted of \$506,313 from Charges for Services, and \$3,084 from miscellaneous activity.

Net nonoperating revenue was \$7,564 which consisted of bank interest.

Operating expenses for the year ended December 31, 2020, were \$362,592. There were no nonoperating expenses incurred for the year ended.

There was a transfer made of \$40,000 to the CRC from the CCIDA for the year ended December 31, 2020.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Agency's net investment in capital assets as of December 31, 2020, totaled \$247,809. This net investment in capital assets includes land, railroad and leasehold improvements, and equipment. The following table summarizes the change in the Agency's net investment in capital asset.

	2020	2019	Difference
Land	\$ 149,299	149,299	-
Improvements	929,373	929,373	-
Furniture and Equipment	38,424	38,424	-
Accumulated Depreciation	(869,287)	(868,657)	(630)
	<u>\$ 247,809</u>	<u>248,439</u>	<u>(630)</u>

Long-Term Liabilities

The Agency had net pension liability outstanding of \$175,874 and \$48,470 at December 31, 2020 and 2019.

BACKGROUND AND MISSION

The County of Cattaraugus Industrial Development Agency is a public benefit corporation created in 1971 to retain, promote, and assist private sector industrial and business development, thereby advancing job opportunities and economic welfare to the people of Cattaraugus County. The Agency is a self-funded entity.

The Agency serves as a partner with the other various economic development agencies within the County, for retaining and assisting not only those businesses that are already located in Cattaraugus County, but those that want to relocate here as well. Assistance is available for locating potential buildings or building sites for interested companies. Over the past three decades the Agency has assisted over 235 companies with over \$1.49 billion in total projects. The Agency has assisted many nonprofit entities as well, including Olean General Hospital, Saint Bonaventure University, and the YMCA; each of which has added to the overall quality of life in Cattaraugus County. The Agency has also assisted companies such as Mazza Mechanical Services, National Fuel Pipeline, Olean Gateway, LLC and MJ Painting Contractor Corp. The Agency has also been very instrumental in the growth of the county's tourism industry by assisting in the financing of tourism destinations such as Holiday Valley, and HoliMont.

The Agency helps companies take advantage of industrial revenue bonding by obtaining low-cost financing for eligible projects. Other benefits provided by the Agency include the abatement of an assortment of taxes to assist businesses as well as a variety of services to assist with the creation and retention of employment opportunities. The Agency has authorization over financing options and provides technical assistance to developers, industries, and other economic development organizations.

The mission of the Agency is to retain, promote, attract, and develop job and business opportunities; and to foster economically sound commerce and industry in the cities, towns, and villages, of Cattaraugus County.

It strives to assist and promote growing industry in the County by helping businesses to be competitive and profitable by offering:

- Financial assistance, business incentives, tax exemptions, and bond financing
- Improved utilization and development of local infrastructure
- Creation of investment, employment, and wealth, in the community
- Recruitment of new businesses

The Agency also assists qualified applicants in the implementation of a wide variety of projects, including but not limited to the following; manufacturing, industrial, warehousing, research, commercial, pollution control, recreation, tourism destination, education, cultural, railroad, continuing care, retirement, and certain nonprofit facilities.

For more information regarding the County of Cattaraugus Industrial Development Agency, please visit its website at www.cattcoida.com & www.investcattaraugus.com

CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT

This financial report is designed to provide a general overview of the Agency's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Executive Director (Corey R. Wiktor) of the County of Cattaraugus Industrial Development Agency, 9 East Washington Street, P.O. Box 1749, Ellicottville, New York 14731. Telephone (716) 699-2005.

FINANCIAL STATEMENTS

**COUNTY OF CATTARAUGUS
INDUSTRIAL DEVELOPMENT AGENCY
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2020 WITH SUMMARIZED COMPARATIVE 2019 INFORMATION**

	<u>IDA</u>	<u>CRC</u>	<u>TOTAL 12/31/2020</u>	<u>TOTAL 12/31/2019</u>
ASSETS				
Unrestricted Cash and Cash Equivalents	\$ 221,867	\$ 207,078	\$ 428,945	\$ 192,780
Unrestricted Investments	728,109	-	728,109	720,919
Accounts Receivable	263	-	263	57,763
Prepaid Expenses	4,350	-	4,350	7,350
Capital Assets				
Land	149,299	-	149,299	149,299
Improvements	929,373	-	929,373	929,373
Furniture and Equipment	38,424	-	38,424	38,424
Less: Accumulated Depreciation	(869,287)	-	(869,287)	(868,657)
Total Assets	<u>1,202,398</u>	<u>207,078</u>	<u>1,409,476</u>	<u>1,227,251</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension	127,554	-	127,554	44,166
LIABILITIES				
Payables				
Accrued Liabilities	2,105	-	2,105	3,904
Long Term Liabilities				
Net Pension Liability	175,874	-	175,874	48,470
Total Liabilities	<u>177,979</u>	<u>-</u>	<u>177,979</u>	<u>52,374</u>
DEFERRED INFLOWS OF RESOURCES				
Pension	14,768	-	14,768	29,129
NET POSITION				
Net Investment In Capital Assets	247,809	-	247,809	248,439
Unrestricted	889,396	207,078	1,096,474	941,475
Total Net Position	<u>\$ 1,137,205</u>	<u>\$ 207,078</u>	<u>\$ 1,344,283</u>	<u>\$ 1,189,914</u>

See the accompanying notes to the financial statements.

**COUNTY OF CATTARAUGUS
INDUSTRIAL DEVELOPMENT AGENCY
STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED DECEMBER 31, 2020 WITH SUMMARIZED COMPARATIVE 2019 INFORMATION

	<u>IDA</u>	<u>CRC</u>	<u>TOTAL 12/31/2020</u>	<u>TOTAL 12/31/2019</u>
Operating Revenues				
Charges for Services	\$ 506,087	\$ 226	\$ 506,313	\$ 139,317
Other Income	3,084	-	3,084	5,904
Total Operating Revenue	<u>509,171</u>	<u>226</u>	<u>509,397</u>	<u>145,221</u>
Operating Expenses				
Personal Services	149,986	-	149,986	148,003
Contractual Expenses	117,177	3,000	120,177	100,103
Employee Benefits	91,799	-	91,799	54,099
Depreciation-Unallocated	630	-	630	1,092
Total Operating Expense	<u>359,592</u>	<u>3,000</u>	<u>362,592</u>	<u>303,297</u>
Operating Income (Loss)	<u>149,579</u>	<u>(2,774)</u>	<u>146,805</u>	<u>(158,076)</u>
Nonoperating Revenues (Expenses)				
Use of Money and Property	7,511	53	7,564	13,981
Unrealized Gain (loss)	-	-	-	651
Realized Gain (loss)	-	-	-	95
Net Nonoperating Revenue	<u>7,511</u>	<u>53</u>	<u>7,564</u>	<u>14,727</u>
Other Financing Sources (uses)				
Transfer In	-	40,000	40,000	40,000
Transfer Out	<u>(40,000)</u>	<u>-</u>	<u>(40,000)</u>	<u>(40,000)</u>
Total Other Financing Sources (uses)	<u>(40,000)</u>	<u>40,000</u>	<u>-</u>	<u>-</u>
Change in Net Position	117,090	37,279	154,369	(143,349)
Net Position - Beginning of the Year	1,020,115	169,799	1,189,914	1,333,263
Net Position - End of the Year	<u>\$ 1,137,205</u>	<u>\$ 207,078</u>	<u>\$ 1,344,283</u>	<u>\$ 1,189,914</u>

See the accompanying notes to the financial statements.

COUNTY OF CATTARAUGUS
INDUSTRIAL DEVELOPMENT AGENCY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	<u>Primary Government Business-Type Activities</u>	<u>CRC</u>
Cash Flows From Operating Activities:		
Cash Received From Providing Services	\$ 563,587	\$ 226
Cash Paid to Suppliers	(114,177)	(3,000)
Cash Paid for Salaries and Benefits	(214,015)	-
Other Cash Receipts	3,084	-
Net Cash Provided by (Used in) Operating Activities	<u>238,479</u>	<u>(2,774)</u>
Cash Flows From Capital and Related Financing Activities:		
Transfer In	-	40,000
Transfer Out	(40,000)	-
Net Cash Provided by (Used in) Capital and Related Financing Activities:	<u>(40,000)</u>	<u>40,000</u>
Cash Flows From Investing Activities:		
Investment Income	407	53
Net Cash Provided by (Used in) Investing Activities	<u>407</u>	<u>53</u>
Net Cash and Cash Equivalents Increase (Decrease) for the Year	198,886	37,279
Cash and Cash Equivalents- Beginning of the Year	22,981	169,799
Cash and Cash Equivalents- End of the Year	<u>\$ 221,867</u>	<u>\$ 207,078</u>
Cash Flows From Operating Activities:		
Operating Income (Loss)	\$ 149,579	\$ (2,774)
Adjustments:		
Depreciation	630	-
Deferred Outflow of Resources	(83,474)	-
Deferred Inflow of Resources	(14,361)	-
Changes in Assets and Liabilities:		
Decrease in Prepaid Rent	3,000	-
Increase in Pension Liability	127,404	-
Decrease in Accounts Receivable	57,500	-
Decrease in Accrued Liabilities	(1,799)	-
Net Cash Provided By (Used in) Operating Activities	<u>\$ 238,479</u>	<u>\$ (2,774)</u>
Reconciliation of Unrestricted and Restricted Cash and Cash Equivalents:		
Cash and Cash Equivalents, Unrestricted	\$ 221,867	\$ 207,078
Total Unrestricted and Restricted Cash and Cash Equivalents	<u>\$ 221,867</u>	<u>\$ 207,078</u>

See the accompanying notes to the financial statements.

COUNTY OF CATTARAUGUS DEVELOPMENT AGENCY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 WITH SUMMARIZED COMPARATIVE 2019 INFORMATION

NOTE A - ORGANIZATION

The County of Cattaraugus Industrial Development Agency was created in 1971 by the Cattaraugus County Legislature under the provisions of Chapter 536 of the laws of New York State for the purpose of encouraging economic growth in Cattaraugus County. The Agency is a component unit of Cattaraugus County, based on several criteria set forth in GASB Statement No. 39 of the *Governmental Accounting Standards Board Determining Whether Certain Organizations are Component Units*, an amendment of GASB Statement No. 14 and GASB Statement No 61 – *The Financial Reporting Entity: Omnibus*. The County of Cattaraugus Industrial Development Agency is exempt from federal, state, and local income taxes.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

The basic financial statements of the County of Cattaraugus Industrial Development Agency have been prepared in conformity with generally accepted accounting principles (GAAP) that provide for proprietary fund accounting for Industrial Development Agencies. Management must make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. These estimates and accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements. The following is a summary of the more significant accounting policies.

Financial Reporting Entity

The financial reporting entity consists of the following, as defined by GASB Statement 39 of the *Governmental Accounting Standards Board Determining Whether Certain Organizations are Component Units*, an amendment of GASB Statement No. 14, and GASB Statement No 61 – *The Financial Reporting Entity: Omnibus*:

1. The primary government, which is the County of Cattaraugus Industrial Development Agency;
2. Organizations and programs for which the Agency is financially accountable;
3. Other organizations and programs of which the nature and significance of their relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The decision to include a potential component unit in the Agency's reporting entity is based on several criteria set forth in GASB 39 and 61, including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, all activities and functions performed for the Agency are its direct responsibility.

In May 2009, the Agency formed and incorporated a Capital Resource Corporation "CRC," which is a legally formed entity that has the ability to issue tax-exempt bonds to 501 (c) (3) entities. As set forth by the provisions of GASB 39 and 61, the activity of the CRC has been included in these financial statements.

Governmentwide Financial Statements

The governmentwide financial statements of the Agency include the statement of net position and the statement of activities. These statements report financial information for the Agency as a whole. The statements highlight business-type activities that are generally financed in whole or in part with fees charged to customers.

The statement of activities reports the change in the Agency's net position during the year, segregating the operating and nonoperating activities of the Agency.

Program revenue includes charges for services that report fees and other charges to users of the Agency's services. Program revenue may also include operating grants and contributions that finance annual operating activities including investment income earned by the Agency. These revenues are subject to externally imposed restrictions to these program uses.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The financial statements of the Agency are prepared in accordance with generally accepted accounting principles (GAAP). The Agency's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. The governmentwide proprietary fund financial statements apply GASB Statement No 62 – Codification of Accounting and Financial Reporting Guidance contained in pre-November 30, 1989 FASB and AICPA Pronouncements.

The governmentwide statements of the Agency report using the economic resources measurement focus and the accrual basis of accounting applicable to proprietary fund accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Operating income reported in the Agency statements includes revenues and expenses related to the primary, continuing operations of the Agency. Principal operating revenues for proprietary funds are charges to customers for services provided. Principal operating expenses are the costs of providing goods or services and include administrative expenses and depreciation of capital assets. Other revenues and expenses are classified as nonoperating in the financial statements.

When both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first, for authorized expenditures, then unrestricted resources as needed.

Estimates

The 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 revenues, expenditures, assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and during the reporting period. Actual results could differ from those estimates and those differences could be significant.

Budgetary Policy and Practice

The Agency submits an annual budget to the Cattaraugus County Legislature. The county then has thirty days to submit its comments regarding the Agency's annual budget. Once approved, the Agency may amend the adopted budget when unexpected modifications are required in estimated revenues and appropriations.

Budgetary Control

The Agency's budget is prepared on a detailed line-item basis. Revenues are budgeted by source. Expenditures are budgeted by functional purpose.

Accounts Receivable and Prepaid Expenses

The Agency had an accounts receivable balance of \$263 at December 31, 2020.

During the year ended December 31, 2016, the Agency entered into an agreement to rent office space from the Olean Business Development Corporation in Olean New York. The Agency prepaid \$15,000 for the Olean rental during the 2016. \$3,000 was expensed in 2020 for one year of rent on this office space.

Grant Accounting

Pass-through grants are recorded as accounts receivable and unearned revenue upon award; revenue is recognized as the Agency meets the performance requirements of the grant.

NOTE C - CASH AND INVESTMENTS

At December 31, 2020, the carrying amount of the Agency's current deposits included demand deposits, savings accounts, and cash on hand and totaled \$428,945.

Cash in excess of current requirements is invested in various certificates of deposit totaling \$625,077, which have original maturity terms in excess of three months and interest rates varying from 1.05 to 2.25 percent. As of December 31, 2020, the fair value of the certificates of deposit approximates the carrying values. For purposes of cash flows, cash equivalents are certificates of deposit with original maturities of three months or less. The Agency also invested excess cash in a brokerage account with Keybank Capital Markets. The fair value at December 31, 2020 of this account was \$103,032 which was invested in U.S. Treasury Notes and a cash money market account.

The Agency's investment policies are governed by state statutes. In addition, the Agency has its own investment policy. Agency funds must be deposited in FDIC-insured commercial banks or trust companies located within the state. The executive director is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury, obligations of New York State and its localities, and with permission of the state comptroller, obligations including revenue anticipation notes and tax anticipation notes of any municipality, school district, or municipal entity other than Cattaraugus County. Only reserve funds may be invested in obligations of Cattaraugus County.

Collateral is required for demand deposits and certificates of deposit at 100% of all deposits not covered by federal deposit insurance. The table presented below is designed to disclose the level of custody credit risk assumed by the Agency based upon how its deposits were insured or secured with collateral at December 31, 2020. The categories of credit risk are defined as follows:

Category 1 - Insured by the FDIC or collateralized with securities held by the Agency or by its agent in the Agency's name.

Category 2 - Uninsured but collateralized with securities held by the pledging financial institution's trust department or agent in the Agency's name.

Category 3 - Uninsured and uncollateralized.

Type of Deposit	Total Bank Balance	Custody Credit Risk Category			Total Carrying Value
		1	2	3	
Interest Bearing	\$1,063,756	1,063,756	-	-	1,053,902
Cash on Hand	-	-	-	-	120
Keybank Investments	103,032	103,032	-	-	103,032
Total Deposits	\$1,166,788	\$ 1,166,788	\$ -	\$ -	1,157,054

Reconciliation to the Statement of Net Position:

Unrestricted Cash and Cash Equivalents	\$ 428,945
Investments	728,109
Total	\$ 1,157,054

NOTE D - INTEREST RECEIVABLE

As of December 31, 2020, there was no interest receivable.

NOTE E - CAPITAL ASSETS

Property and equipment acquired by the Agency is stated at cost including interest capitalized during construction where applicable. Contributed assets are recorded at fair market value at the date received and depreciated over their estimated useful lives. Infrastructure consisting of certain improvements other than buildings, such as roads, sidewalks, and railroads, is being capitalized and depreciated.

Depreciation is computed using the straight-line method over the estimated useful lives of the related assets, ranging from 5 to 20 years as follows:

	Estimated Useful Lives	Capitalization Threshold
Improvements and Infrastructure	20 years	\$500
Furniture and Fixtures	5 years	\$500
Equipment	5 years	\$500

A summary of the Agency's capital assets is as follows:

	Balance at 12/31/2019	Additions	Deletions	Balance at 12/31/2020
<u>Nondepreciable:</u>				
Land	\$ 149,299	-	-	149,299
<u>Depreciable:</u>				
Improvements	929,373	-	-	929,373
Furniture and Equipment	38,424	-	-	38,424
Subtotal	1,117,096	-	-	1,117,096
Accumulated Depreciation	(868,657)	(630)	-	(869,287)
Total	\$ 248,439	(630)	-	247,809

Depreciation expense of \$630 for the year ended December 31, 2020, has not been allocated to an expense function. Amounts representing railroad line improvements have been depreciated to salvage value which will be reviewed periodically for reasonableness.

NOTE F - ACCOUNTS PAYABLE AND OTHER LIABILITIES

The Agency reported no accounts payable at year end.

There was \$1,949 in payroll and \$156 in payroll related liabilities requiring accrual at December 31, 2020.

NOTE G - LONG TERM LIABILITIES

Notes Payable

As of December 31, 2020, the Agency did not have any notes payable.

Compensated Absences

The Agency's personnel policy provides for vacation and sick leave benefits. Vacation benefits can accumulate up to a total of 20 days. Upon separation from the Agency for any reason, any unused vacation credits are paid at the current salary of the position. Sick leave is not payable upon retirement or termination of the employee. There was no material liability for compensated absences at December 31, 2020. Based on Agency policy, there is no required reporting under the provisions of GASB 75 – *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*.

NOTE H - INDUSTRIAL REVENUE BOND AND NOTE TRANSACTIONS

Certain industrial development revenue bonds and notes issued by the Agency are secured by property that is leased or transferred to companies and is retired by lease or note payments. The bonds and notes are not obligations of the Agency or the State of New York. The Agency does not record the assets or liabilities resulting from completed bond and note issues on its accounts since its primary function is to arrange the financing between the borrowing companies and the bond and note holders. The funds that arise from these transactions are controlled by trustees or banks acting as fiscal agents. For providing this service, the Agency receives bond administration fees from borrowing companies. Such administrative fee income is recognized immediately upon issuance of the bonds and notes. A schedule of these transactions is presented as supplemental information in this report.

NOTE I - RAILROAD ACQUISITIONS AND IMPROVEMENTS

In 1978, the Agency purchased 19.35 miles of spur railroad lines from the Erie-Lackawanna Railroad. The acquisition was financed with grants from the Appalachian Regional Commission and Cattaraugus County, with the commission providing 80 percent of the funding and the County providing the balance. Phase two of the Appalachian Regional Commission grant agreement was started during the year ended December 31, 1980, with funding provided by both the commission and the County at 80 percent and 20 percent respectively. In 1982, a railroad line was purchased under phase three of the grant agreement. As with phases one and two, the commission and the County provided 80 percent and 20 percent of the funding, respectively. In the year ended December 31, 2001, the County of Cattaraugus Industrial Development Agency donated 12 miles of track line to the Cattaraugus Local Development Corporation for a rails-to-trails program. The Agency now owns roughly 35 miles of track line.

Under the grant agreements, the Agency acts as an independent contractor, assuming responsibility for the conduct of the program. The Agency has an agreement with a privately owned corporation for the operation of the railroad.

NOTE J - COMMITMENTS AND CONTINGENCIES

The Agency is exposed to various risks of loss such as torts, theft, damage, injuries, errors, omissions, and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Any settled claims from these risks have not exceeded commercial insurance coverage for the past four years. In management's opinion, there are no material contingencies required to be accrued or disclosed.

NOTE K - DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

The Statement of Net Position reports a separate section for deferred outflows of resources which represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditure) until then. The Agency has a pension related item that qualifies for reporting in this category. This represents the effect of the change in the Agency's proportion of the collective net pension asset or liability and difference during the measurement period between the Agency's contributions and its proportionate share of total contribution to the pension systems not included in pension expense.

The Statement of Net Position also reports a separate section for deferred inflows of resources which represents an acquisition of net position that applies to future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. This represents the effect of the net change in the Agency's proportion of the collective net pension liability or net pension asset, and the difference during the measurement periods between the Agency's contributions and its proportionate share of total contributions to the pension systems not included in pension expense.

NOTE L - PENSION PLAN

The Agency participates in the New York State and Local Employees' Retirement System. This system is a cost-sharing multiple employer, public employee retirement system. The system offers a wide range of plans and benefits which are related to years of service and final average salary, vesting of retirement benefits, death and disability. All full-time employees of the Agency are covered by the pension plan.

a. Provisions and Administration

The New York State and Local Employees' Retirement System (ERS) provides retirement benefits as well as death and disability benefits. New York State Retirement and Social Security Law govern obligations of employers and employees to contribute, and benefits to employees. The system issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the New York State and Local Retirement System, Office of the State Comptroller, 110 State Street, Albany, New York 12244.

b. Funding Policies

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0 to 3.5 percent of their salary for their entire length of service. In addition, employee contribution rates under ERS 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 Systems' fiscal year ending March 31.

The Agency is required to contribute at an actuarially determined rate by NYSERS. Contributions made to the system were equal to 100% of the contributions required for each year. Required contributions for the current year and two preceding years were:

	<u>Amount</u>
2020	\$ 23,500
2019	\$ 21,901
2018	\$ 21,594

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

At December 31, 2020, the Agency reported the following liability for its proportionate share of the net pension liability for the System. The net pension liability was measured as of March 31, 2020. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. 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 System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the NYSLRS in a report provided to the Agency.

	<u>NYSLRS</u>
Actuarial Valuation Date	April 1, 2019
Net Pension Liability	175,874
Agency's Portion of the Plan's total Net Pension Liability	0.0006642%

For the year ended December 31, 2020 the Agency recognized pension expense of \$45,940 for NYSLRS. At December 31, 2020, the Agency reported deferred outflows of resources related to the pension plan from the following sources:

	<u>Deferred Outflows Resources</u>		<u>Deferred Inflows Resources</u>	
	2020	2019	2020	2019
Differences between expected and actual experience	\$ 10,351	9,545	-	3,254
Changes of Assumptions	3,541	12,183	3,058	-
Net difference between projected and actual earnings on pension investments	90,162	-	-	12,440
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	-	11,710	13,435
Agency's contributions subsequent to the measurement date	23,500	22,438	-	-
Total	<u>\$ 127,554</u>	<u>\$ 44,166</u>	<u>\$ 14,768</u>	<u>\$ 29,129</u>

Agency contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending 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:

	Year ending:	
	March 31,:	NYSLRS
	2021	11,812
	2022	21,835
	2023	30,384
	2024	25,255

d. Actuarial Assumptions

The total pension liability as of the measurement date was determined by using an actuarial valuation as noted in the table below, with update procedures used to roll forward the total pension liability to the measurement date. The actuarial valuations used the following significant actuarial assumptions:

	NYSLRS
Measurement Date	March 31, 2020
Actuarial Valuation Date	April 1, 2019
Interest Rate	6.80%
Salary Scale	4.20%
Decrement Tables	April 1, 2010- March 31, 2015 ERS' Experience
Inflation Rate	2.50%

The annuitant mortality rates are based on April 1, 2010 – March 31, 2015 System's experience with adjustments for mortality improvements based on MP-2014.

The actuarial assumptions used in the April 1, 2011 valuation are based on the results of an actuarial experience study for the period April 1, 2005 – March 31, 2010

The long-term 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 returns net of investment expense 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 each of the target asset allocation percentages and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized below:

Measurement Date: March 31, 2020	Expected Rate of Return	Target Asset Allocation
Asset Type:		
Domestic Equity	4.05%	36.00%
International Equity	6.15%	14.00%
Real Estate	4.95%	10.00%
Absolute Return Strategy Investment	3.25%	2.00%
Opportunistic Funds	4.65%	3.00%
Real Assets	5.95%	3.00%
Private Equity	6.75%	10.00%
Bonds and Mortgages	0.75%	17.00%
Cash	0.00%	1.00%
Inflation-Indexed Bonds	0.50%	4.00%
		100%

e. Discount Rate

The discount rate used to calculate the total pension liability was 6.80%. 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. Based upon the assumptions, the Systems' 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.

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

The following presents the Agency's proportionate share of the net pension liability calculated using the discount rate of 6.80% as well as what the Agency's proportionate share of the net pension asset/liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.80%) or 1-percentage point higher (7.80%) than the current rate:

	NYSLRS		
	1% Decrease 5.80%	Current Assumption 6.80%	1% Increase 7.80%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 322,779	175,874	40,574

g. Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued NYSLRS financial reports.

h. Payables to the Pension Plan

Employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of December 31, 2020, represent the

projected employer contribution for the period of April 1, 2020, through December 31, 2020, based on paid NYSLRS wages multiplied by the employer's contribution rate, by tier. At December 31, 2020, the Agency reported a payable of \$0 to the pension plan.

NOTE M - RESTRICTIONS, RESERVES AND DESIGNATIONS

The business-type activities utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, and unrestricted.

Net Investment In Capital Assets - This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets, reduce the balance in this category.

Restricted - This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted - This category represents the net position of the Agency not restricted for any project or other purpose.

NOTE N - NEW ACCOUNTING STANDARDS

The Agency has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At December 31, 2020, the Agency implemented the following new standards issued by GASB:

GASB Statement No. 95 – "Postponement of the effective dates of certain authoritative guidance." Effective for the year ended December 31, 2020.

NOTE O - ACCOUNTING STANDARDS ISSUED BUT NOT YET IMPLEMENTED

GASB Statement No. 87 – "Leases." Effective for the year ending December 31, 2022.

GASB Statement No. 89 – "Accounting for Interest Cost Incurred before the End of a Construction Period." Effective for the year ending December 31, 2021.

GASB Statement No. 91 – "Conduit Debt Obligations." Effective for the year ending December 31, 2022.

GASB Statement No. 92 – "Omnibus 2020." Effective for the year ending December 31, 2022.

GASB Statement No. 93 – "Replacement of Interbank Offered rates." Effective for the year ending December 31, 2022.

GASB Statement No. 94 – "Public-private and Public-public partnerships and availability arrangements." Effective for the year ending December 31, 2023.

GASB Statement No. 96 – "Subscription-based information technology arrangements." Effective for the year ending December 31, 2023.

GASB Statement No. 97 – "Certain Component unit criteria, and accounting and financial reporting for internal revenue code section 457 deferred compensation plans – an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32." Effective for the year ending December 31, 2022.

The Agency will evaluate the impact each may have on its financial statements and will implement them as applicable and when material.

NOTE P - COVID-19

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses.

The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the CCIDA operates. The pandemic has not significantly affected the CCIDA's financial statements. However, it is unknown how long the pandemic will last and what the complete financial effect will be.

NOTE Q - SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 8, 2021, the date on which the financial statements were available to be issued for the purpose of determining whether there were any events or transactions that might require disclosure in these financial statements. No such events or transactions were noted.

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF CATTARAUGUS
 INDUSTRIAL DEVELOPMENT AGENCY
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
 FOR THE YEAR ENDED DECEMBER 31, 2020 WITH PRIOR YEARS INFORMATION

	2020	2019	2018	2017	2016
NYSLRS Pension Plan					
Agency's proportion of the net pension liability	0.0006642%	0.0006841%	0.0007056%	0.0007131%	0.0007382%
Agency's proportionate share of the net pension liability	\$ 175,874	\$ 48,470	\$ 22,774	\$ 67,000	\$ 118,480
Agency's covered-employee payroll	\$ 149,986	\$ 148,003	\$ 143,813	\$ 140,006	\$ 137,781
Agency's proportionate share of the net pension liability (asset) as a percentage of it's covered-employee payroll	117.26%	32.75%	15.84%	47.86%	85.99%
Plan fiduciary net position as a percentage of the total pension liability	96.3%	96.3%	98.2%	94.7%	90.7%

Ten years of historical information is not yet available.
 A year will be added each year until ten years are presented.

The accompanying independent auditors' report should be read in conjunction with these financial statements

COUNTY OF CATTARAUGUS
 INDUSTRIAL DEVELOPMENT AGENCY
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF AGENCY CONTRIBUTIONS
 FOR THE YEAR ENDED DECEMBER 31, 2020 WITH PRIOR YEARS INFORMATION

	2020	2019	2018	2017	2016
NYSLRS Pension Plan					
Statutorily Required Contributions	\$ 23,500	\$ 22,438	\$ 21,901	\$ 21,594	\$ 20,971
Contributions In Relation To Statutorily Required Contributions	<u>23,500</u>	<u>22,438</u>	<u>21,901</u>	<u>21,594</u>	<u>20,971</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's Covered-Employee Payroll	149,986	148,003	\$ 143,813	\$ 140,006	\$ 137,781
Contributions As A Percentage of Covered-Employee Payroll	15.67%	15.16%	15.23%	15.42%	15.22%

Ten years of historical information is not yet available.
 A year will be added each year until ten years are presented.

The accompanying independent auditors' report should be read in conjunction with
 these financial statements

SUPPLEMENTAL INFORMATION

Schedule 3

COUNTY OF CATTARAUGUS
INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF BONDS
FOR THE YEAR ENDED DECEMBER 31, 2020

Project Name	Project No.	Issue Date	Interest Rate	Maturity Date	Balance at 12/31/2019	Issued During Fiscal Year	Paid During Fiscal Year	Balance at 12/31/2020
CCIDA:								
Cattaraugus Rehabilitation Center, Inc. Intandem	401-0004A	10/03	Variable	6/24	528,981	-	110,222	418,759
Parent Education Program	401-0203A	12/02	4.75	12/22	78,015	-	27,509	50,506
CRC:								
Olean General Hospital	401-0906A	10/10	2.5	10/30	7,925,000	-	1,200,000	6,725,000
Olean YMCA	401-0301A	6/11	4.75	5/21	2,996,009	-	83,230	2,912,779
St. Bonaventure University	401-1401A	5/14	Variable	5/44	9,060,000	-	200,000	8,860,000
St. Bonaventure University	401-2006A	5/16	Variable	5/36	4,995,000	-	315,000	4,680,000
Jamestown Community College	401-9903A	6/18	Variable	6/38	15,252,109	-	510,881	14,741,228

The accompanying independent auditors' report should be read in conjunction with these financial statements.

COUNTY OF CATTARAUGUS
INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF LEASES ENTERED INTO
FOR THE YEAR ENDED DECEMBER 31, 2020

Name of Project:	Win Sum Ski Corp.
Project Owner and Address:	PO Box 370 Holiday Valley Road Ellicottville, NY 14731
Year of Origination:	2020
Project location:	<i>Holiday Valley Rd., Ellicottville, NY</i>

The accompanying independent auditors' report should be read in conjunction with these financial statements.

COUNTY OF CATTARAUGUS
INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF ENTITIES ENTERED INTO PAYMENTS IN LIEU OF TAXES PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2020

Name of Project:	River Valley Solar LLC
Project Owner and Address:	River Valley Solar LLC 396 Springfield Ave. Summit, NJ 07901
Year of Origination:	2020
Project location:	<i>3217 W. River Road, Allegany, NY</i>
Name of Project:	Manny Hanny Development LLC
Project Owner and Address:	Manny Hanny Development LLC 500 Seneca St., Suite 508 Buffalo, NY 14201
Year of Origination:	2020
Project location:	<i>101-107 N. Union St., Olean, NY</i>
Name of Project:	Sunny Olean LLC
Project Owner and Address:	Sunny Olean LLC 35 Newmon Place Buffalo, NY 14210
Year of Origination:	2020
Project location:	<i>106-108 W. State Street, Olean, NY</i>
Name of Project:	West Valley Solar LLC
Project Owner and Address:	400 Market Industrial Park, Suite 32 Wappingers Falls, NY 12590
Year of Origination:	2020
Project location:	<i>Buttermilk Road, Ashford, NY</i>

The accompanying independent auditors' report should be read in conjunction with these financial statements.

INTERNAL CONTROLS AND COMPLIANCE



**JOHNSON, MACKOWIAK
& ASSOCIATES, LLP**

Certified Public Accountants & Consultants

**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**

To the Board of Directors
County of Cattaraugus
Industrial Development Agency
Ellicottville, New York 14731

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 the business-type activities of the County of Cattaraugus Industrial Development Agency, as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the County of Cattaraugus Industrial Development Agency's basic financial statements, and have issued our report thereon dated March 8, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County of Cattaraugus Industrial Development 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Cattaraugus Industrial Development Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the County of Cattaraugus Industrial Development 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 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 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 County of Cattaraugus Industrial Development 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 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.

Johnson, Mackowiak & Associates, LLP

Johnson, Mackowiak & Associates, LLP

Fredonia, New York
March 8, 2021