

**COUNTY OF CHAUTAUQUA  
INDUSTRIAL DEVELOPMENT AGENCY  
AND COMPONENT UNITS**

**REPORT ON  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED  
DECEMBER 31, 2021**

**COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY  
AND COMPONENT UNITS**

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**INDEPENDENT AUDITOR'S REPORT**

**To the Board of Directors**

**County of Chautauqua Industrial Development Agency**  
**Jamestown, New York**

**Opinion**

We have audited the accompanying financial statements of **County of Chautauqua Industrial Development Agency** and its component units, Chautauqua Region Economic Development Corporation and the Chautauqua County Capital Resource Corporation as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Agency and its component unit's basic financial statements as listed in the Table of Contents. The Agency and its component units are considered a component unit of the County of Chautauqua, New York.

In our opinion, the financial statements referred to above, present fairly, in all material respects, the financial position of **County of Chautauqua Industrial Development Agency** and its component units, as of December 31, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of **County of Chautauqua Industrial Development Agency** and its component units and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about **County of Chautauqua Industrial Development Agency** and its component unit's ability to continue as a going concern for within one year after the date that the financial statements are available to be issued.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 **County of Chautauqua Industrial Development Agency** and its component unit's internal control. Accordingly, no such opinion is expressed.

## Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about **County of Chautauqua Industrial Development Agency** and its component unit's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

## 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 7 and related notes be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

## Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental statements on pages 26 through 31 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. The accompanying schedule of expenditures of federal awards, on page 31, as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and, except for that portion marked "unaudited," was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. That information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated 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 15, 2022, on our consideration of **County of Chautauqua Industrial Development Agency's** internal control over financial reporting and 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 the effectiveness of **County of Chautauqua Industrial Development Agency's** internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Cooperative's internal control over financial reporting and compliance.

*Buffamante Whipple Buttafaro PC*

**BUFFAMANTE WHIPPLE BUTTAFARO, P.C.**

**Jamestown, New York  
March 15, 2022**

**COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**Page 3**

**I. Discussion and Analysis**

The following is a discussion and analysis of the *County of Chautauqua Industrial Development Agency* and its component units' financial performance for the year ended December 31, 2021. This section is a summary of the Agency's financial activities based on currently known facts, decisions, or conditions. It is based on the financial statements. The results of the current year are discussed in the following paragraphs. This section is only an introduction and should be read in conjunction with the Agency's financial statements, which follow this section.

**II. Financial Highlights**

The following items are the financial highlights experienced by the *County of Chautauqua Industrial Development Agency* during the year ended December 31, 2021:

- Overall net position of the Agency increased \$5,797,000 during the year ended December 31, 2021.
- The Agency's total revenue and other sources were approximately \$8,678,000 during 2021 as compared with \$4,815,000 during 2020. This increase was primarily related to grant income related to the EDA CARES revolving loan fund.
- The Agency's total expenses and other uses were approximately \$2,881,000 during 2021 as compared to \$5,019,000 during 2020. This decrease was primarily the result of a decrease in bad debt expense as the allowance for bad debts in each loan fund was increased in the prior year in response to the pandemic.
- PILOT payments passed through to local governmental units were approximately \$2,027,000 during 2021 as compared to \$2,107,000 during 2020. This decrease was related to wind farm PILOT's.

**III. Overview of the Financial Statements**

This annual report consists of three parts: MD&A (this section), the basic financial statements, and required supplementary information.

**A. Reporting the Agency as a Whole (Government-wide Financial Statements):**

The government-wide statements report information about the entity as a whole using accounting methods similar to those used by private-sector companies. Activities that are fiduciary in nature are not included in these statements.

**1. Combined Statement of Net Position-All Fund Types**

The Combined Balance Sheet (page 8) shows the "assets" (what is owned), "liabilities" (what is owed) and the "net position" (the resources that would remain if all obligations were settled) of the Agency. The Statement categorizes assets to show that some assets are very liquid, such as cash and cash equivalents. Some assets are designated for certain purposes or reserved for emergencies and cash flow purposes. Some assets are available to fund budgets of the following year.

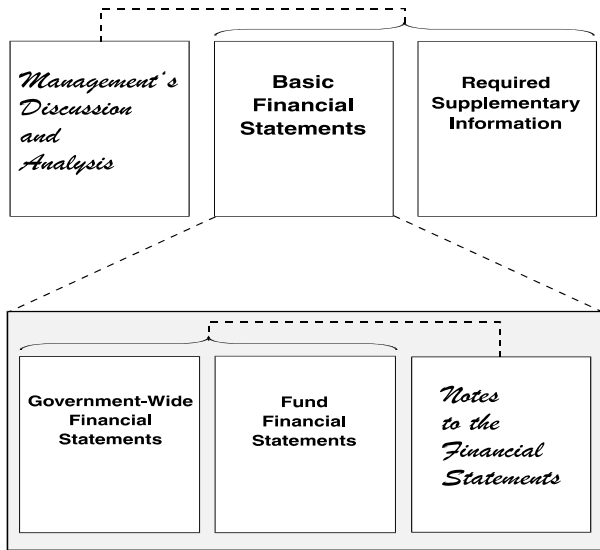
**2. Combined Statement of Revenue, Expenditures, and Changes in Net Position-All Fund Types**

The Combined Statement of Revenue Expenditures and Changes in Net Position (page 9) shows the amounts of program-specific and general Agency revenue used to support the Agency's various functions.

The two government-wide statements report the Agency's net position and how they have changed. Net Position – the difference between the Agency's assets and liabilities – is one way to measure the Agency's financial health or position. Over time, increases or decreases in the Agency's net position are an indicator of whether its financial position is improving or deteriorating, respectively. To assess the Agency's overall health additional non-financial factors also need to be considered.

**COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**Figure A-2 - Required Components of the Agency's Annual Financial Report**



**Summary** ← → **Detail**

**IV. Financial Analysis of the Agency as a Whole**

**Net Position**

The Agency's total entity-wide net position at December 31, 2021 was approximately \$19,965,000. This includes: capital assets, net of related debt of \$753,000, restricted net position of \$16,273,000; and unrestricted net position of \$2,939,000.

**Revenue**

The Agency's total revenue and other sources were approximately \$8,678,000 during the year ended December 31, 2021. The Agency also received approximately \$2,027,000 of pass-through revenue during the year ended December 31, 2021. The Agency acts as an intermediary for these funds, and appropriately recognizes each pass-through amount as an expenditure upon distribution.

Figure A-4 presents the major sources of revenue of the Agency. The most significant sources of governmental revenue in the Agency are more thoroughly discussed as follows:

- Rental revenue which represents approximately 3% of the Agency's total revenue increased by \$15,000 during the year ended December 31, 2021. This increase was primarily attributable to a new tenant rent received during 2021.

**IV. Financial Analysis of the Agency as a Whole (continued)**

**Revenue (continued)**

- Revenue from application and administrative fees increased \$327,000 during the year ended December 31, 2021. This increase was primarily related to administrative fees related to the Americold project.
- Grant income increased \$3,390,000 during the year ended December 31, 2021. This increase was primarily related to grant income related to the EDA CARES revolving loan fund operating for a full year in 2021.
- Revenue from interest income increased \$116,000 during the year ended December 31, 2021 as a result of a larger loan portfolio in 2021 related to the EDA CARES fund.

**Expenses**

The total cost of all programs and services of the Agency was approximately \$2,881,000. The Agency's expenses consist primarily of grant expenses, depreciation, interest expense and general and administrative expenses.

The Agency's expenses are more thoroughly discussed as follows:

- The Agency's total costs were approximately \$2,881,000 during the year ended December 31, 2021 as compared with \$5,019,000 during the year ended December 31, 2020. This decrease was primarily due to bad debt expense decreasing as the allowance for bad debts in each loan fund was adjusted in response to the pandemic during the prior year.
- The Agency's general and administration costs were approximately \$2,211,000 during the year ended December 31, 2021 as compared with \$2,020,000 during the year ended December 31, 2020. This increase was caused by increases in professional fees and utilities.
- The Agency's loan funds by their very design often function as a lender of last resort. Because of this, management is constantly challenged to evaluate its loan portfolio with respect to its collectability. At December 31, 2021, the Agency has reserved against potential uncollectible loans approximately \$87,000, \$1,848,000, \$1,151,000, and \$49,000 for the Chautauqua Revolving Loan Fund, the AI-Tech Trust Fund, the EDA CARES Fund, and the CREDC fund, respectively. Bad debt expense totaled \$416,000 and \$2,690,000 during the years ended December 31, 2021 and 2020, respectively.

**COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

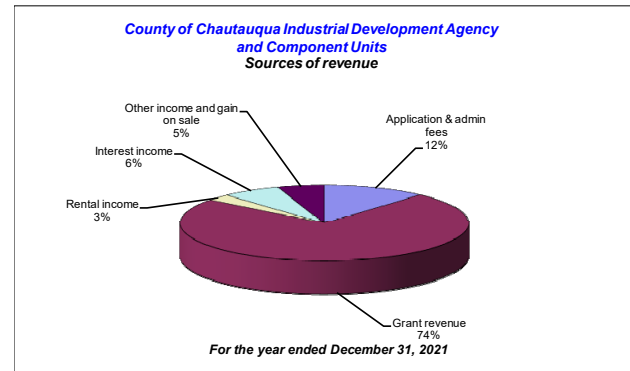
**Figure A-3 - Combined Statement of Net Position**

County of Chautauqua Industrial Development Agency and Component Units Combined Statement of Net Position (in thousands of dollars)			
	Total Government-wide		
	2021	2020	% Change
<b>Assets</b>			
Current and other assets	\$ 7,555	\$ 4,238	78%
Capital assets, net	1,858	1,925	-3%
Other assets	16,153	13,307	21%
<b>Total assets</b>	<b>\$ 25,566</b>	<b>\$ 19,470</b>	<b>31%</b>
<b>Liabilities</b>			
Current liabilities	\$ 3,790	\$ 3,307	15%
Long-term liabilities	1,811	1,995	-9%
<b>Total liabilities</b>	<b>5,601</b>	<b>5,302</b>	<b>6%</b>
<b>Net Position</b>			
Invested in capital assets, net of related debt	753	806	-7%
Restricted	16,273	10,629	53%
Unrestricted	2,939	2,733	8%
<b>Total net position</b>	<b>19,965</b>	<b>14,168</b>	<b>41%</b>
<b>Total liabilities and net position</b>	<b>\$ 25,566</b>	<b>\$ 19,470</b>	<b>31%</b>

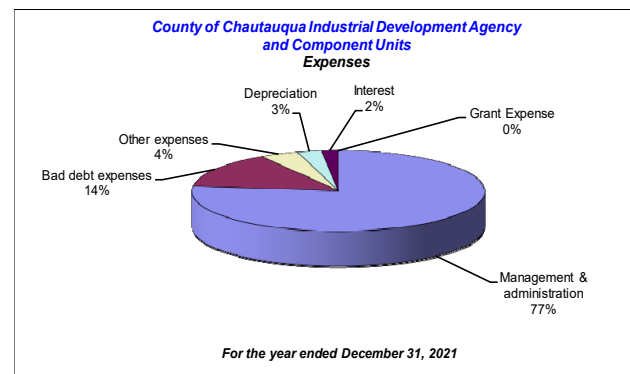
**Figure A-4 Statement of Revenue & Expenses**

County of Chautauqua Industrial Development Agency and Component Units Changes in Net Position from Operating Results (in thousands of Dollars)			
	Total Government-wide		
	2021	2020	% Change
<b>Revenue</b>			
Application & administration fees	\$ 1,011	\$ 684	48%
Grant income	6,405	3,015	112%
Rental income	236	221	7%
Interest income	571	455	26%
Other income and gain (loss) on sale	455	440	4%
<b>Total revenue</b>	<b>8,678</b>	<b>4,815</b>	<b>80%</b>
<b>Expenses</b>			
General and administrative	2,211	2,020	9%
Grant expenses	-	24	-100%
Bad debt expenses	416	2,690	-85%
Other expenses	123	158	-22%
Depreciation	78	71	10%
Interest expense	53	56	-5%
<b>Total expenses</b>	<b>2,881</b>	<b>5,019</b>	<b>-43%</b>
<b>Pass-through transactions</b>			
Revenues-PILOT	2,027	2,107	-4%
Expenditures-PILOT	(2,027)	(2,107)	-4%
	--	--	0%
<b>Change in net position</b>	<b>\$ 5,797</b>	<b>\$ (204)</b>	

**Figure A-5 Sources of Revenue**



**Figure A-6 – Expenses**



**V. Financial Analysis of the Agency Funds**

**Industrial Development Agency (IDA)**

**Net Position**

During the current year, IDA general fund total revenue exceeded total expenses by \$220,000. Total net position increased from \$3,272,000 to \$3,492,000.

**Revenue**

During the current year, total general fund revenue and other sources were \$1,862,000 as compared with \$1,873,000 during 2020. This decrease in revenue was primarily due to administrative fees related to wind farms being recognized in the prior year offset by administrative fees related to Americold project.

**Expenses**

During the current year, total general fund expenses were \$1,642,000 as compared with \$1,607,000 during 2020. This increase was primarily the result of increases in Industrial Park expenses.

**COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**V. Financial Analysis of the Agency Funds  
(continued)**

**Chautauqua Revolving Loan Fund (CRLF)**

The IDA operates a revolving loan fund which originated from grant revenue received from the Appalachian Regional Commission for the purpose of extending loans to companies for eligible energy improvements. This fund is operated on a revolving basis and is administered by the IDA.

**Net Position**

During the current year, the CRLF's total expenses exceeded total revenues by approximately \$15,000 causing total net position to increase from \$569,000 to \$583,000.

**Revenue**

During the current year, total revenue of the CRLF was \$21,000 as compared with \$24,000 during 2020. This decrease was primarily the result of a decrease in interest income.

**Expenses**

During the current year, total expenses of the CRLF were \$6,000 as compared with \$85,000 during 2020. This decrease is related to bad debt expense decreasing related to adjusting the allowance for bad debts in the prior year.

**AI-Tech Trust Fund**

The AI Tech Trust Fund was established as a result of a \$10,000,000 grant from the U.S. Economic Development Administration (EDA) to Chautauqua and Albany Counties. Pursuant to a letter dated April 20, 2006, the EDA authorized a transfer of the AL Tech Trust Fund to the IDA, which was previously administered by the Job Development Authority (JDA).

**Net Position**

During the current year, the AI-Tech Trust Fund total revenues exceeded total expenses by approximately \$304,000 causing total net position to increase from \$8,513,000 to \$8,817,000 as of December 31, 2021.

**Revenue**

During the current year, total revenue and other sources of AI-Tech Trust Fund was \$344,000 as compared with \$344,000 during the prior year. Interest income decreased during the current year and was offset by an increase in application fees.

**V. Financial Analysis of the Agency Funds  
(continued)**

**AI-Tech Trust Fund (continued)**

**Expenses**

During the current year, total expenses of the AI-Tech Trust Fund were \$40,000, as compared with \$2,101,000 during the prior year. This decrease primarily resulted from a decrease in bad debt expense as the allowance for bad debts was adjusted in response to the pandemic in the prior year.

**EDA CARES Fund**

The EDA CARES Fund was established in 2020 as a result of a \$10,500,000 grant from the U.S. Economic Development Administration (EDA) to the IDA to assist local business experiencing hardship due to the COVID 19 pandemic.

**Net Position**

During the current year, the EDA CARES Fund total revenues exceeded total expenses by approximately \$5,326,000 causing total net position to increase to \$6,873,000 as of December 31, 2021.

**Revenue**

During the current year, total revenue and other sources EDA CARES Fund was \$6,087,000 as compared to \$2,343,000 during 2020. This increase is due to grant income related to funding the EDA CARES loans granted during 2021.

**Expenses**

During the current year, total expenses of the EDA CARES Fund \$761,000 as compared to \$796,000 during 2020. This decrease was primarily related to bad debt expense related to establishing a higher allowance for bad debts on the new EDA CARES loans in the prior year.

**Chautauqua Region Economic Development Corporation (CREDC)**

Chautauqua Region Economic Development Corporation was incorporated in 1986 under the Non-profit Corporation Law for the purpose of: relieving and reducing unemployment, promoting and providing for additional and maximum employment, bettering and maintaining job opportunities, etc. The financial statements of CREDC are treated as a blended component unit and are included in the audit report with the Industrial Development Agency.

**Net Position**

During the current year, the CREDC's total expenses exceeded total revenues by approximately \$68,000 causing total net position to decrease from \$268,000 to \$200,000.



**COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**V. Financial Analysis of the Agency Funds  
(continued)**

**Chautauqua Region Economic Development  
Corporation (CREDC) (continued)**

**Revenue**

During the current year, total revenue of CREDC was \$302,000 as compared with \$226,000 during 2020. This increase was primarily due to Partnership for Economic Growth grants received during the current year.

**Expenses**

During the current year, total expenses of CREDC were \$370,000 as compared with \$373,000 during 2020. This decrease related to professional fees in the Partnership for Economic Growth fund.

**Chautauqua County Capital Resource Corporation  
(CCRC)**

Chautauqua County Capital Resource Corporation was incorporated in 2011. The key focus of the Corporation is to assist not for profit institutions, manufacturing and industrial businesses to obtain access to low interest tax-exempt and non tax-exempt financing for their eligible projects as well as other projects within the County for the purpose of promoting economic development and reducing unemployment. There was one tax exempt bond that was refinanced during 2021 and the fund had \$62,500 of administrative fees and administrative costs related to that refinancing.

**VI. Capital Asset and Debt Administration**

**Capital Assets**

As depicted in Figure A-7, as of December 31, 2021, the Agency and its component unit had invested approximately \$1,858,000 in a broad range of capital assets, including industrial parks, buildings and furniture and equipment. Capital additions made during the year ended December 31, 2021, totaled approximately \$11,000. These costs were mostly attributable to capital improvements at Mason Park. More detailed information about the Agency's capital assets is presented in the notes of the financial statements.

**Long-term Debt**

As depicted in Figure A-8, as of December 31, 2021, the Agency and its component units had approximately \$4,044,000 in bonds, notes payable and other liabilities, a decrease of approximately \$154,000 as compared with the previous year. This decrease was related the Agency making debt principal payments on the SPEC buildings notes payable.

**VI. Capital Asset and Debt Administration (continued)**

**Figure A-7 – Capital Assets**

<i>County of Chautauqua Industrial Development Agency and Component Units</i>			
<i>Capital Assets</i>			
	2021	2020	Change
Buildings	\$ 2,018	\$ 2,018	0%
SPEC Buildings	26	27	-4%
Improvements	480	508	-6%
Equipment	129	129	0%
Accumulated depreciation	(795)	(757)	-5%
<b>Capital Assets - net</b>	<b>\$ 1,858</b>	<b>\$ 1,925</b>	<b>-3%</b>

**Figure A-8 – Long-term Debt**

<i>County of Chautauqua Industrial Development Agency and Component Units</i>			
<i>Long-term Debt</i>			
	2021	2020	Change
Bond - Stoneman Park SPEC Building	\$ 819	\$ 881	-7%
Bond - Chadwick Bay SPEC Building	1,144	1,230	-7%
Bond - Dunkirk Building	2,000	2,000	0%
Other bonds	81	87	-7%
<b>Total long-term debt</b>	<b>\$ 4,044</b>	<b>\$ 4,198</b>	<b>-4%</b>

**VII. Factors Bearing on the Agency's Future**

At the time these financial statements were prepared and audited, the Agency was aware of the following existing circumstances that could significantly affect its financial health in the future:

- The COVID 19 Pandemic has had a significant impact on businesses in the region. Due to the economic hardships there is uncertainty surrounding the notes receivables balances and their collectability.

**VIII. Contacting the Agency's Financial Management**

This financial report is designed to provide citizens, taxpayers, customers and investors and creditors with a general overview of the finances of the Agency and to demonstrate our accountability with the money we receive. If you have any questions about this report or need additional financial information, please contact:

County of Chautauqua Industrial Development Agency  
Mr. Richard Dixon, CFO  
201 West Third Street  
Jamestown, New York 14701

**COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY  
COMBINED STATEMENT OF NET POSITION – ALL FUNDS**

As of December 31, 2021

	CCIDA				Chautauqua County Capital Resource Corporation	CREDC	(Memo Only) Total Reporting Entity
	Industrial Development Agency	Chautauqua Revolving Loan Fund	AI- Tech Trust Fund	EDA CARES Fund			
<b>Assets</b>							
<b>Current</b>							
Cash and cash equivalents	\$ 1,440,112	\$ 172,929	\$ 1,702,153	\$ 1,000,539	\$ --	\$ 427,795	\$ 4,743,528
Other receivables, current	726,505	--	--	--	--	156,195	882,700
Other current assets	--	--	--	--	--	4,981	4,981
Current portion, mortgage receivable	144,031	--	--	--	--	--	144,031
Current portion, notes receivable	--	76,624	851,299	811,771	--	39,866	1,779,560
Total current assets	<u>2,310,648</u>	<u>249,553</u>	<u>2,553,452</u>	<u>1,812,310</u>	<u>--</u>	<u>628,837</u>	<u>7,554,800</u>
Property and equipment, net	<u>1,858,238</u>	--	--	--	--	--	<u>1,858,238</u>
<b>Other assets</b>							
Other receivables, net of current portion	1,451,563	--	--	--	--	--	1,451,563
Notes receivable, net of current portion	--	421,191	8,111,175	6,211,681	--	288,359	15,032,406
Allowance for uncollectible notes receivable	--	(87,000)	(1,848,000)	(1,151,000)	--	(49,000)	(3,135,000)
Mortgage receivable, net of current portion	1,806,129	--	--	--	--	--	1,806,129
Security deposits and other assets	8,957	--	--	--	--	--	8,957
Real property held for resale	958,738	--	--	--	--	30,488	989,226
Total other assets	<u>4,225,387</u>	<u>334,191</u>	<u>6,263,175</u>	<u>5,060,681</u>	<u>--</u>	<u>269,847</u>	<u>16,153,281</u>
	<u>\$ 8,394,273</u>	<u>\$ 583,744</u>	<u>\$ 8,816,627</u>	<u>\$ 6,872,991</u>	<u>\$ --</u>	<u>\$ 898,684</u>	<u>\$ 25,566,319</u>
<b>Liabilities and Net Position</b>							
<b>Current liabilities</b>							
Accounts payable	\$ 37,470	\$ --	\$ --	\$ --	\$ --	\$ 33,936	\$ 71,406
Due to other governments	--	--	--	--	--	114,975	114,975
Accrued liabilities	72,486	--	--	--	--	--	72,486
Accrued interest	319,593	--	--	--	--	--	319,593
Unearned revenue	428,321	--	--	--	--	550,000	978,321
Current portion of long-term debt	2,233,135	--	--	--	--	--	2,233,135
Total current liabilities	<u>3,091,005</u>	--	--	--	--	<u>698,911</u>	<u>3,789,916</u>
Long-term debt, net of current portion	<u>1,811,309</u>	--	--	--	--	--	<u>1,811,309</u>
Total liabilities	<u>4,902,314</u>	--	--	--	--	<u>698,911</u>	<u>5,601,225</u>
<b>Net position</b>							
Invested in capital assets, net of related receivables and debt	722,692	--	--	--	--	30,488	753,180
Restricted	--	583,744	8,816,627	6,872,991	--	--	16,273,362
Unrestricted	2,769,267	--	--	--	--	169,285	2,938,552
Total net position	<u>3,491,959</u>	<u>583,744</u>	<u>8,816,627</u>	<u>6,872,991</u>	<u>--</u>	<u>199,773</u>	<u>19,965,094</u>
	<u>\$ 8,394,273</u>	<u>\$ 583,744</u>	<u>\$ 8,816,627</u>	<u>\$ 6,872,991</u>	<u>\$ --</u>	<u>\$ 898,684</u>	<u>\$ 25,566,319</u>

**COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY  
 COMBINED STATEMENT OF REVENUE, EXPENDITURES AND  
 CHANGES IN NET POSITION - ALL FUNDS**

Year ended December 31, 2021

	CCIDA				Chautauqua County Capital Resource Corporation	CREDC	(Memo Only) Total Reporting Entity
	Industrial Development Agency	Chautauqua Revolving Loan Fund	AI-Tech Trust Fund	EDA CARES Fund			
<b>Revenue</b>							
Application and administration fees	\$ 918,983	\$ --	\$ 9,958	\$ 19,621	\$ 62,500	\$ --	\$ 1,011,062
Grant income	196,397	--	--	5,915,518	--	293,199	6,405,114
Rental income	233,150	--	--	--	--	2,900	236,050
Interest income	61,430	20,901	333,887	152,087	--	2,992	571,297
Other income	451,950	--	--	--	--	2,500	454,450
<b>Total revenue</b>	<b>1,861,910</b>	<b>20,901</b>	<b>343,845</b>	<b>6,087,226</b>	<b>62,500</b>	<b>301,591</b>	<b>8,677,973</b>
<b>Expenditures</b>							
General and administrative	1,387,772	989	99,523	273,119	62,500	387,501	2,211,404
Consultants	48,254	--	--	--	--	--	48,254
Industrial Park expenses	74,763	--	--	--	--	--	74,763
Bad debt expense (recovery)	--	5,000	(59,126)	488,000	--	(18,000)	415,874
Depreciation	77,934	--	--	--	--	--	77,934
<b>Total expenses</b>	<b>1,588,723</b>	<b>5,989</b>	<b>40,397</b>	<b>761,119</b>	<b>62,500</b>	<b>369,501</b>	<b>2,828,229</b>
<b>Excess (deficiency) of revenue over expenditures before financing sources and pass-throughs</b>	<b>273,187</b>	<b>14,912</b>	<b>303,448</b>	<b>5,326,107</b>	<b>--</b>	<b>(67,910)</b>	<b>5,849,744</b>
<b>Other financing sources (uses)</b>							
Interest expense	(52,970)	--	--	--	--	--	(52,970)
	<b>(52,970)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>(52,970)</b>
<b>Pass-through transactions</b>							
Revenue - PILOT	2,027,414	--	--	--	--	--	2,027,414
Expenditures - PILOT	(2,027,414)	--	--	--	--	--	(2,027,414)
	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Excess (deficiency) of revenue and other sources over expenditures</b>	<b>220,217</b>	<b>14,912</b>	<b>303,448</b>	<b>5,326,107</b>	<b>--</b>	<b>(67,910)</b>	<b>5,796,774</b>
Net position, beginning	3,271,742	568,832	8,513,179	1,546,884	--	267,683	14,168,320
<b>Net position, ending</b>	<b>\$ 3,491,959</b>	<b>\$ 583,744</b>	<b>\$ 8,816,627</b>	<b>\$ 6,872,991</b>	<b>\$ --</b>	<b>\$ 199,773</b>	<b>\$ 19,965,094</b>

**COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY  
COMBINED STATEMENT OF CASH FLOWS – ALL FUNDS**

Year ended December 31, 2021

	CCIDA				Chautauqua County Capital Resource Corporation	CREDC	(Memo Only) Total Reporting Entity
	Industrial Development Agency	Chautauqua Revolving Loan Fund	AI-Tech Trust Fund	EDA CARES Fund			
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>							
Cash received from entities assisted	\$ 1,482,767	\$ --	\$ 36,208	\$ 19,621	\$ 62,500	\$ --	\$ 1,601,096
Grant income	196,397	--	--	5,969,571	--	532,499	6,698,467
Rental income	233,150	--	--	--	--	2,900	236,050
Cash received on PILOT's	2,027,414	--	--	--	--	--	2,027,414
Cash paid to contractors	(1,049,296)	--	(11,481)	(57,556)	--	(216,172)	(1,334,505)
Interagency charges	418,115	(989)	(89,044)	(216,212)	(62,500)	(49,370)	--
Cash paid to employees	(457,720)	--	--	--	--	(93,115)	(550,835)
Cash payments on PILOT's	(2,027,414)	--	--	--	--	--	(2,027,414)
Other receipts	33,835	--	--	--	--	2,500	36,335
Interest paid	(52,660)	--	--	--	--	--	(52,660)
Interest received	61,430	20,901	333,887	152,087	--	2,992	571,297
<b>Net cash provided by operating activities</b>	<b>866,018</b>	<b>19,912</b>	<b>269,570</b>	<b>5,867,511</b>	<b>--</b>	<b>182,234</b>	<b>7,205,245</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>							
Issuances of mortgages and notes receivable	--	--	(636,000)	(5,187,278)	--	--	(5,823,278)
Collections on mortgages and notes receivable	139,779	50,333	953,799	374,509	--	39,077	1,557,497
Capital expenditures	(11,241)	--	--	--	--	--	(11,241)
<b>Net cash provided by (used in) investing activities</b>	<b>128,538</b>	<b>50,333</b>	<b>317,799</b>	<b>(4,812,769)</b>	<b>--</b>	<b>39,077</b>	<b>(4,277,022)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>							
Principal payments on long-term debt	(153,570)	--	--	--	--	--	(153,570)
<b>Net cash used in investing activities</b>	<b>(153,570)</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>(153,570)</b>
<b>Net change in cash</b>	<b>840,986</b>	<b>70,245</b>	<b>587,369</b>	<b>1,054,742</b>	<b>--</b>	<b>221,311</b>	<b>2,774,653</b>
Cash and cash equivalents, beginning of year	599,126	102,684	1,114,784	(54,203)	--	206,484	1,968,875
<b>Cash and cash equivalents, end of year</b>	<b>\$ 1,440,112</b>	<b>\$ 172,929</b>	<b>\$ 1,702,153</b>	<b>\$ 1,000,539</b>	<b>\$ --</b>	<b>\$ 427,795</b>	<b>\$ 4,743,528</b>
<b>Reconciliation of change in net position to net cash provided by operating activities:</b>							
Change in net position	\$ 220,217	\$ 14,912	\$ 303,448	\$ 5,326,107	\$ --	\$ (67,910)	\$ 5,796,774
Adjustments to reconcile change in net position to net cash provided by operating activities:							
Depreciation	77,934	--	--	--	--	--	77,934
Bad debt expense	--	5,000	(59,126)	488,000	--	(18,000)	415,874
Change in operating assets and liabilities:							
Accounts receivable	447,032	--	26,250	54,053	--	--	527,335
Security deposits and other assets	--	--	--	--	--	(4,981)	(4,981)
Accounts payable	(13,506)	--	(1,002)	(649)	--	33,936	18,779
Accrued liabilities	17,279	--	--	--	--	(111)	17,168
Accrued interest	310	--	--	--	--	--	310
Unearned revenue	116,752	--	--	--	--	239,300	356,052
<b>Net cash provided by operating activities</b>	<b>\$ 866,018</b>	<b>\$ 19,912</b>	<b>\$ 269,570</b>	<b>\$ 5,867,511</b>	<b>\$ --</b>	<b>\$ 182,234</b>	<b>\$ 7,205,245</b>
<b>Supplemental Disclosure of Cash Flow Information:</b>							
Cash paid during the year for:							
Interest	\$ 52,660	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 52,660

**COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY**  
**STATEMENT OF FIDUCIARY NET POSITION**

Year ended December 31, 2021

	<u>Deferred Compensation Trust Fund</u>	<u>Defined Contribution Trust Fund</u>
<b>ASSETS</b>		
Mutual funds	\$ 404,464	\$ 133,765
Total Investments	<u>404,464</u>	<u>133,765</u>
<b>Total Assets</b>	<b><u>\$ 404,464</u></b>	<b><u>\$ 133,765</u></b>
<b>NET POSITION</b>		
Restricted for:		
Deferred compensation	\$ 404,464	\$ --
Defined contribution	--	133,765
Total net position	<u>404,464</u>	<u>133,765</u>
<b>Total Net Position</b>	<b><u>\$ 404,464</u></b>	<b><u>\$ 133,765</u></b>

**COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**

Year ended December 31, 2021

	<b>Deferred Compensation Trust Fund</b>	<b>Defined Contribution Trust Fund</b>
<b>ADDITIONS</b>		
Contributions:		
Members	\$ 60,686	\$ --
Employers	--	27,989
Total contributions	<u>60,686</u>	<u>27,989</u>
Investment Earnings		
Net increase in fair value of investments	48,451	16,115
Total investment earnings	<u>48,451</u>	<u>16,115</u>
<b>Total additions</b>	<u>109,137</u>	<u>44,104</u>
<b>DEDUCTIONS</b>		
Benefits paid to participants or beneficiaries	--	154
<b>Total deductions</b>	<u>--</u>	<u>154</u>
<b>Net Increase in fiduciary net position</b>	109,137	43,950
Net Position-beginning of year	<u>295,327</u>	<u>89,815</u>
<b>Net Position-ending of year</b>	<u><u>\$ 404,464</u></u>	<u><u>\$ 133,765</u></u>

**COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2021**

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

**I. Significant Accounting Policies**

The accompanying general purpose financial statements of the **County of Chautauqua Industrial Development Agency** have been prepared in conformity with accounting principles generally accepted in the United States of America for governments as prescribed by the Governmental Accounting Standards Board which is the standard setting body for establishing governmental accounting and financial reporting principles.

**A. Reporting Entity**

The **County of Chautauqua Industrial Development Agency** (the "Agency") was established as a public benefit corporation under Title I, Article 18A of General Municipal Law of the State of New York and signed into law by the Governor, March 22, 1972. The purpose of the Agency is to promote, develop, encourage, and assist in the acquiring, constructing and maintaining of industrial and manufacturing facilities. The Agency is exempt from federal and state income taxes. As required by generally accepted accounting principles, these financial statements present the County of Chautauqua Industrial Development Agency (the primary government) and its component units. The component units discussed in Note 2 are included in the Agency's reporting entity because of the significance of their operational and financial relationship with the Agency. The Agency and its component units are included as a discretely presented component unit within the County of Chautauqua, New York's financial statements.

**B. Basis of Accounting**

The Agency's accounts are maintained on an accrual basis whereby revenue is recognized when earned and expenses are recorded when incurred.

**C. Fund Accounting**

The Agency uses funds to report on its financial position and the results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities. A fund is a separate accounting entity with a self-balancing set of accounts.

**General Operating Fund**

The general operating fund of the Agency is used to account for all financial transactions except those required to be accounted for and reported in another fund.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Fund Accounting (continued)**

**AI-Tech Loan Funds**

Pursuant to a letter dated April 20, 2006, the Economic Development Authority (EDA) authorized a transfer of the AI Tech Trust Fund to the **County of Chautauqua Industrial Development Agency**, which previously served as a project packager assisting local industry in preparing the loan packages and recommending local industries for loans from the fund. Beginning in September 2006, the Agency began reviewing and approving loans from the Trust Fund, and otherwise performing all administrative functions for the Fund that had previously been performed by the Job Development Authority.

**EDA CARES Loan Funds**

On September 9, 2020 the **County of Chautauqua Industrial Development Agency** was selected as the recipient of a \$10.5 million grant through the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which enabled the agency to establish a new Revolving Loan Fund (RLF). The RLF provides capital in the form of low-interest loans to both businesses and non-profit organizations to respond to economic injury resulting from the COVID-19 pandemic.

**Chautauqua Revolving Loan Fund**

The Chautauqua Revolving Loan Fund originated from grant revenue received from the Appalachian Regional Commission for the purpose of extending loans to companies for eligible energy improvements. This fund is now operated on a revolving basis and is administered by the **County of Chautauqua Industrial Development Agency**. As principal and interest is repaid, the proceeds are used to extend financing to other companies. The Agency has developed standards for advancing proceeds from the fund. These standards have the broader purpose of fostering both job growth as well as the retention of existing jobs, by assisting existing business and industry or for the purpose of providing seed capital to start-up ventures.

**Chautauqua Region Economic Development Corporation**

The Agency has a component unit, the Chautauqua Region Economic Development Corporation (CREDC) which is further described in Note 2 of the financial statements.

**Chautauqua County Capital Resource Corporation**

The Agency has a component unit, the Chautauqua County Capital Resource Corporation (CCCRC) which is further described in Note 2 of the financial statements.

**COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2021**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Fund Accounting (continued)**

Fiduciary fund

Fiduciary Funds are used to account for fiduciary activities. Fiduciary activities are those in which the Agency acts as trustee or agent for resources that belong to others. These activities are not included in the combined financial statements, because their resources do not belong to the Agency, and are not available to be used. Included in the Fiduciary Funds are a Defined Contribution Fund and Deferred Compensation Plan Fund.

**D. Cash and Cash Equivalents**

The Agency includes all highly liquid investments with original maturities of 90 days or less in cash and cash equivalents on the accompanying balance sheet. Bank balances are collateralized through the Federal Deposit Insurance Corporation and with securities held by the pledging financial institution's trust department in the Agency's name. As of December 31, 2021, the Agency was fully collateralized.

**E. Investments**

Short-term investments consist of certificates of deposit with maturities greater than 90 days. Fiduciary Activities investments include mutual funds measured at fair value.

**F. Fair Value of Financial Instruments**

The Agency has a number of financial instruments, none of which are held for trading purposes. Management estimates that the fair value of all financial instruments at December 31, 2021, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying balance sheet.

**G. Industrial Development Revenue Bonds and Civic Facility Bonds**

Industrial development revenue bonds issued by the Agency are secured by the properties which are leased to companies and are retired by lease payments. Civic facility bonds issued by the Agency include facilities owned or operated by New York State Not-for-Profit Corporations. The industrial development revenue and civic facility bonds are not obligations of the Agency, County, or State. The Agency does not record the assets or liabilities resulting from any such bond issuance in its financial statements since its primary function is to arrange the financing between the borrowing companies and the bondholders and funds arising from the issuance are controlled by trustees or banks acting as fiscal agents. For providing this service, the Agency receives bond administrative fees from the borrowing companies. Such administrative fee income is recognized immediately upon receipt after issuance of the bonds.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**G. Industrial Development Revenue Bonds and Civic Facility Bonds (continued)**

In May 2009, the Agency formed a non-profit organization under the name of Chautauqua County Capital Resource Corporation (CCCRC). This entity has the ability to provide such financing to non-profit organizations in the future.

**H. Tax Lease Program**

The Agency maintains tax lease and PILOT (payment in lieu of tax) programs. These programs are offered to companies who acquire, construct or substantially renovate facilities suitable for manufacturing, warehousing, research and development and other industrial purposes. Under the tax lease program, title to the property is conveyed to the Agency through the term of the lease agreement. Transfer of title removes the property from the tax rolls and the project assumes a tax-exempt nature, abating real property taxes, sales tax and mortgage taxes. A lease is written between the company as lessee and the **County of Chautauqua Industrial Development Agency** as lessor, which specifies that the company will retain operational control of the project. At the end of the lease term, title to the assets is returned to the company. The Agency does not record assets acquired under the lease program since the Agency's primary function is to provide state and local tax benefits to the lessee. The Agency receives lease administrative fees from the lessee for providing the service.

Both the PILOT and tax lease programs are governed by New York State statute. The Agency has the local authority to offer real property tax abatement as an inducement for industrial development projects. The Agency can affix the tax abatement discount at a rate necessary to satisfactorily complete a project. Under special circumstances defined by NYS statute, the Agency has the authority to also provide real property tax abatement to both commercial and/or retail projects located within areas designated to be of high distress. The Agency has a standard PILOT program for qualified projects, qualified projects that are also adaptive re-use projects and tourism destination projects. The real property tax abatement is for a period not to exceed fifteen years and the percentage of abatement ranges from 0% to 100% depending on the type of project. The PILOT agreement is the instrument by which the discounted tax payments to be made are structured. All taxing jurisdictions receive payments in the same proportion as if the entire tax amount were paid.

A PILOT agreement and tax lease can run concurrently, but are not required to be used together. It is possible to structure a tax lease agreement without an accompanying PILOT.

The Agency's PILOT program generated \$2,027,414 in 2021 for local municipalities.



**COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2021**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I. Property and Equipment**

Property and equipment are stated at cost, less accumulated depreciation. Depreciation is calculated on the straight-line method for buildings and equipment over the estimated useful asset life which ranges from three to thirty-nine years.

**J. Real Property Held for Resale**

The Agency and CREDC has valued the real property held for resale at cost.

Beginning of year real property, net of sales	\$ 989,226
Current additions and improvements-IDA	--
Current disposals- IDA	--
Total Real Property Held for Resale	<u>\$ 989,226</u>

**K. Use of Estimates**

Management uses estimates and assumptions in preparing the financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenditures. Actual results could differ from those estimates.

**L. Total Columns on Financial Statements**

The columns of the general purpose financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles.

**M. Income Tax Status**

CREDC is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code and from New York State income taxes under Article 7-A of the Executive Law and New York Estates, Powers, and Trusts Law. Therefore, no provision has been made for federal or New York State income taxes in the accompanying financial statements. In addition, the Agency qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an Agency other than a private foundation under Section 509(a)(2).

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**M. Income Tax Status (continued)**

CREDC has assessed its filing status under the sections of the Internal Revenue Code and New York State Executive Law referenced above and concluded that the Agency meets the requirements to be considered a public charity. Tax filings that remain subject to examination by taxing authorities include years 2018 and later.

The Chautauqua Capital Resource Corporation (CCCRC) is a corporation that was established to assist the County in issuing tax exempt bonds in furtherance of its purposes. The bonds issued on behalf of the County by the Corporation will be treated as tax-exempt as defined under Internal Revenue Service Code 103.

**NOTE 2 - COMPONENT UNITS**

**Chautauqua Region Economic Development Corporation (CREDC)**

The Board of Chautauqua Region Economic Development Corporation (CREDC) consists of all members of the *County of Chautauqua Industrial Development Agency's* Board of Directors.

CREDC was incorporated in 1986 under Section 402 of the Not-for-Profit Corporation Law. The purposes of the Corporation are: the relieving and reducing of unemployment, promoting and providing for additional and maximum employment, bettering and maintaining job opportunities, instructing or training individuals to improve or develop their capabilities for such jobs, carrying on scientific research for the purpose of aiding a community or geographical area by attracting new industry to the community or area, lessening the burdens of government, and acting in the public interest.

The Corporation was formed to replace the Jamestown Area Development Corporation which was created as a for-profit corporation and as such could not properly act as a conduit between the Chautauqua Region Economic Development Corporation and the New York Job Development Authority. The Corporation operates the incubator project located at a building it owns, also known as the Riverside Industrial Center.

The financial statements of CREDC are treated as a blended component unit and are included in this audit report for the year ended December 31, 2021.

**COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2021**

**NOTE 2 - COMPONENT UNITS (CONTINUED)**

**Chautauqua County Capital Resource Corporation (CCCRC)**

The Board of the Chautauqua County Capital Resource Corporation (CCCRC) consists of all members of the *County of Chautauqua Industrial Development Agency's* Board of Directors.

The Chautauqua County Capital Resource Corporation (CCCRC) is a local development corporation formed under Section 1411 of the New York State Not-for-Profit Corporation Law. The Corporation undertakes projects either on its own behalf ("Corporation Projects"), or for the benefit of an applicant ("Applicant Projects"). According to the NFPCCL and the Incorporation Certificate, the Corporation can undertake any project that promotes community and economic development and the creation of jobs in the non-profit and for-profit sectors for the citizens of Chautauqua County (the "County") by developing and providing programs for not-for profit institutions, manufacturing and industrial businesses and other entities to access low interest tax exempt and non-tax-exempt financing for their eligible projects, as well as projects and activities within the County for the purpose of relieving and reducing unemployment, bettering and maintaining job opportunities, carrying on scientific research for the purpose of aiding the County by attracting new industry to the County or by encouraging the development of, or retention of, an industry in the County, and lessening the burdens of government and acting in the public interest.

Additionally, the Corporation was created as a public instrumentality of the County. Accordingly, when the Corporation issues debt which is intended to be federally tax-exempt and which qualifies as federally tax-exempt debt, the interest payable on such Tax-Exempt Bonds is excludable from the gross income of the holders thereof for federal income tax. This exemption of interest from certain income taxation allows the Corporation to borrow at lower interest rates, thus lowering the cost of borrowing for a project.

The financial statements of CCCRC are treated as a blended component unit and are included in this audit report for the year ended December 31, 2021. CCCRC refinanced a Tax Exempt Bond and had \$62,500 of administrative fees income and administrative costs related to that refinancing during the year ended December 31, 2021.

**NOTE 3 – OTHER RECEIVABLES**

As of December 31, 2021, the Agency had an outstanding balance in other receivables of \$2,178,068. The majority of the balance consists of fees related to the Athenex project (\$950,000 other receivables – see note 18), Arkwright Wind Farm (\$200,000 other receivables – see note 17), Cassadaga Wind Farm (\$600,000 other receivables – see note 17) and Ball Hill Wind Farm (\$200,000 other receivables – see note 17). Also in the other receivables balance were \$228,068 of receivables related to rents, administrative fees and grant receivables. As of December 31, 2021, CREDC had an outstanding balance in other receivables of \$156,195. The majority of the balance is related to grants receivable from the Northern Chautauqua Community Foundation and the receivable described in Note 22.

**NOTE 4 - PROPERTY AND EQUIPMENT**

Property and equipment consist of the following at December 31, 2021:

	<b>2020</b>				<b>2021</b>
	<b>Balance</b>	<b>Additions</b>	<b>Deletions</b>		<b>Balance</b>
IDA:					
Jamestown Airport Hanger	\$ 252,565	\$ --	\$ --		\$ 252,565
Furniture and equipment	128,691	--	--		128,691
Talcott Street property	1,765,612	--	--		1,765,612
West End Improvements	53,848	--	--		53,848
Other improvements	441,414	11,241	--		452,655
	2,642,130	11,241	--		2,653,371
Less: accumulated depreciation	(717,199)	(77,934)	--		(795,133)
Total	\$ 1,924,931	\$ (66,693)	\$ --		\$ 1,858,238

**COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2021**

**NOTE 4 - PROPERTY AND EQUIPMENT (CONTINUED)**

Depreciation expense relating to property and equipment was \$77,934 for CCIDA during the year ended December 31, 2021.

In 2015, CCIDA purchased a building located on Talcott Street in Dunkirk, NY for \$1,675,000 with proceeds from a bond issued during 2014. During the period in which the building is held for lease, the Agency is depreciating the asset. During 2017, the tenant moved out and the CCIDA is marketing the building for sale.

**NOTE 5 - INDUSTRIAL PARK EXPENSES**

These costs include Chadwick Bay Industrial Water District charges, South County Industrial Park real estate taxes, engineering costs and related development expenses of the Industrial Park.

**NOTE 6 - UNEARNED REVENUE**

Unearned revenue of the *County of Chautauqua Industrial Development Agency* includes special projects grant income received but not yet disbursed and other income received but not yet earned.

During 2007, CCIDA received a grant in the amount of \$208,000 from New York State Dormitory Authority related to railroad improvements. During the years ended December 31, 2008 through 2020, the Agency incurred expenditures relating to the grant of \$192,806. During the year the CCIDA spent remaining \$15,194 of the funds provided.

During 2020, CCIDA received a grant from Appalachian Regional Commission passed through the Appalachian Community Capital in the amount of \$115,000 related to strengthening and stabilizing the region's Community Development Financial Institutions and other mission-driven development finance lenders serving small businesses impacted by COVID-19 related losses. During the years ended December 31, 2021 and 2020, the Agency incurred expenditures relating to the grant of \$28,750 and \$86,250, respectively.

During 2020, CCIDA received \$35,000 of administrative fees related to the Ripley Solar Project. During the year ended December 31, 2021, the Agency incurred expenditures relating to the grant of \$15,617. As of December 31, 2021, the remaining \$19,383 was recorded as unearned revenue.

During 2021, CCIDA received \$78,938 of PILOT monies related to 2022. As of December 31, 2021, the CCIDA recorded the \$78,938 as unearned revenue as the PILOT pass through will not be paid until 2022.

**NOTE 6 - UNEARNED REVENUE (CONTINUED)**

During 2020, CCIDA received a grant from Chautauqua County in the amount of \$200,000 related to the Chadwick Bay Industrial Park. During 2021, CCIDA received an additional \$130,000 grant from Chautauqua County in the related to the Chadwick Bay Industrial Park. Per the agreement, the funds are to be utilized to complete infrastructure upgrades. During the current year no upgrades were made and the \$330,000 remained in unearned revenue.

During 2019, CREDC received \$200,000 from the New York State Office of Community Renewal that was passed through to Cockaigne Development, LLC in the form of a deferred loan. If the company complies with the covenants, conditions and obligations of the loan agreement the balance will be forgiven.

During 2021, CREDC received \$350,000 from the Ralph C. Wilson, Jr. Foundation to implement priority projects in alignment with Chautauqua County's economic development strategic plan. As of December 31, 2021, \$350,000, remained unspent and was recorded as unearned revenue.

**NOTE 7 - USE OF FACILITIES**

During 2016, the Agency moved its office location to 201 West Third Street in Jamestown, New York. A lease agreement was entered into which has an initial term of 10 years, with a 5 year renewal option, and commenced on August 1, 2016. Monthly rental payments of \$7,495 per month plus quarterly payments for common area maintenance fees and property taxes are due in the first year of this agreement, with subsequent lease periods increasing by 2%.

The future minimum payments on the non-cancellable lease (not including common area maintenance and property taxes) is as follows:

2022	\$ 102,192
2023	104,235
2024	106,320
2025	108,447
2026	63,992
	<hr/>
	\$ 485,186

**COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 8 - CONTINGENCIES**

The Agency receives funding from federal, state and local governmental sources. This funding is dependent on current economic conditions and community needs as defined by the governmental units. The contracts related to these programs could be terminated or significantly reduced with minimal notice.

Disallowances, if any, as a result of audit by a grantor may become liabilities of the Agency. Management believes that no material disallowances will result from any audits by grantor agencies.

**NOTE 9 – NOTES AND MORTGAGE RECEIVABLE**

**Industrial Development Agency**

In 2006, CCIDA sold a building (Chadwick Bay Spec Building) to a Company and assumed a mortgage note receivable. At the time CCIDA also had an outstanding note payable to Chautauqua County related to bonds issued for the construction of the property. In 2010, the Company defaulted on the note receivable and Chautauqua County, who held a first position on the mortgage, foreclosed on the property and took title to it. On February 22, 2012, Chautauqua County transferred title to the property back to CCIDA and a note payable in the amount of \$1,816,765 was assumed by CCIDA. On June 25, 2013 CCIDA sold the building and established a \$1,700,000 promissory note from the purchaser of the building. The promissory note calls for monthly principal and interest payments in the amount of \$9,428 per month and the note matures in July 2033. In doing so, CCIDA modified the terms of their bond with Chautauqua County to a rate of 2.274% from 3.00% and a term of 21.5 years from 31.5 years. The balance outstanding on the note was \$1,105,891, as of December 31, 2021.

In 2018, CCIDA sold a building (Stoneman Park) to a company and assumed a mortgage note receivable. CCIDA also has an outstanding note payable to Chautauqua County related to bonds issued for the construction of the property. A \$1,055,000 promissory note was established from the purchaser of the building to CCIDA. The promissory note calls for monthly principal and interest payments in the amount of \$7,286 per month and the note matures in May 2033. In doing so, CCIDA modified the terms of their bond with Chautauqua County to a rate of 3.00% and a maturity date of December 2033. The balance outstanding on the note was \$844,269, as of December 31, 2021.

**Chautauqua Revolving Loan Fund**

Lakeside Fire Services Corp., 4% interest bearing note receivable, \$100 per month including interest through June 1, 2025. \$ 3,548

Chautauqua County Commerce Park, LLC., 4% interest bearing note receivable, \$454 per month including interest through January 1, 2036. 58,650

**NOTE 9 - NOTES RECEIVABLE (CONTINUED)**

**Chautauqua Revolving Loan Fund (Continued)**

Johnson Machine and Fibre Company, Inc., 4% interest bearing note receivable, \$1,381 per month through March 1, 2023. \$ 14,894

Original Crunch Roll Factory, 4% interest bearing note receivable, \$888 per month including interest through December 1, 2024. 29,969

Original Crunch Roll Factory, 4% interest bearing note receivable, \$515 per month including interest through September 1, 2037. 76,100

Big Inlet Brewing, 4% interest bearing note receivable, \$828 per month including interest through January 31, 2028. 58,844

AgriAmerica LLC., 4% interest bearing note receivable, \$16.882 annual payment including interest through February 1, 2023. 31,785

Mark Graham d.b.a Graham's Market, 4% interest bearing note receivable, interest only through February 28, 2021 then \$782 per month including interest through February 28, 2027. 43,751

Kimbert Manufacturing, inc, 4% interest bearing note receivable, interest only through November 30, 2020 then \$759 per month including interest through August 31, 2030. 66,496

Beichner Waster, 4% interest bearing note receivable, \$683 per month including interest through April 1, 2027. 38,778

The Stannard Group Properties, 4% interest bearing note receivable, interest only through May 1, 2024 at \$250 per month, then \$454 per month including interest through May 1, 2044. 75,000

Subtotal 497,815  
Less: reserve (87,000)

Subtotal 410,815  
Less: current portion (76,624)

Long-term portion -  
Chautauqua Revolving Loan Fund \$ 334,191

**AI-Tech Trust Fund**

GEI, Inc., 4% interest bearing note receivable, \$1,842 per month including interest through January 1, 2022. \$ 21

**COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY**  
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**NOTE 9 - NOTES RECEIVABLE (CONTINUED)**

**AI-Tech Trust Fund (continued)**

Chautauqua Utilities, 4% note receivable, \$1,339 interest only through March 1, 2021, then \$5,030 per month including principal, through March 1, 2029.	\$ 379,262
International Ordnance Technologies, Inc. 4% interest bearing note receivable, Entered into a forbearance agreement through June 1, 2017, then \$618 per month including interest through December 1, 2022.	6,956
Jamestown Mattress. 4% interest bearing note receivable, \$3,029 per month including interest through February 1, 2025.	108,132
Yaw Oil Company, Inc., 4% interest bearing note receivable, \$3,151 per month including interest through November 1, 2024.	103,941
Chautauqua Hotel, 4% interest bearing note receivable, \$4,438 per month including interest through June 1, 2024.	126,502
Gren Ventures LLC, 4% interest bearing note receivable, \$4,068 per month including interest through December 1, 2028.	297,633
Scott's Peak 'n Peek, LLC, 4% interest bearing note receivable, \$2,806 per month including interest through April 1, 2034.	326,033
The Stannard Group, 4% interest bearing note receivable, \$4,556 per month including interest through August 1, 2024.	137,990
Erie Shore Holdings, LLC, 4% interest bearing note receivable, \$1,030 per month including interest through September 1, 2029.	81,723
Chautauqua County Commerce Park, LLC, 4% interest bearing note receivable, \$4,151 per month including interest through January 1, 2036.	535,671
GEI Inc., 4% interest bearing note receivable, \$1,842 per month including interest through December 1, 2024	62,378
Reverie Cheese & Food, Inc., 4% interest bearing note receivable, \$1,400 per month including interest through April 1, 2026.	66,098
ROM Ventures LLC, 4% interest bearing note receivable, \$4,611 per month including interest through August 1, 2022.	36,339
Chadwick Bay Marina, 4% interest bearing note receivable, \$2,145 per month including interest through January 1, 2032.	212,920
Chautauqua Woods, 4% interest bearing note receivable, \$1,230 per month including interest through February 1, 2025.	43,822

**NOTE 9 - NOTES RECEIVABLE (CONTINUED)**

**AI-Tech Trust Fund (continued)**

Original Crunch Roll Factory, 4% interest bearing note receivable, \$4,784 per month including interest through December 1, 2024.	\$ 161,374
Shults Real Estate, 4% interest bearing note receivable, \$3,030 per month including interest through December 1, 2037.	428,889
Merritt Estate Winery, 4% interest bearing note receivable, \$1,924 per month including interest through November 1, 2023.	41,226
Heavy Press, 4% interest bearing note receivable, \$962 per month including interest through July 1, 2031.	91,731
The Tube Fabrication Co., 4% interest bearing note receivable combined with the East Main Complex, LLC note receivable, \$13,724 per month including interest through October 1, 2022.	609,411
200 Harrison Street, LLC, 4% interest bearing note receivable, \$2,424 per month including interest through June 1, 2037.	335,592
Bailey Manufacturing, 4% interest bearing note receivable, \$5,062 per month including interest through February 1, 2028.	327,700
Pier LLC, 4% interest bearing note receivable, \$1,598 per month including interest through February 1, 2033.	172,383
Blackstone Advanced Technologies, 4% interest bearing note receivable, \$2,734 per month including interest through January 1, 2025.	95,012
Big Inlet Brewing, Inc, 4% interest bearing note receivable, \$1,822 per month including interest through June 1, 2029.	140,719
Premier Precision Machining, LLC, 4% interest bearing note receivable, \$3,037 per month including interest through October 1, 2028.	217,610
AgriAmerica, LLC, 4% interest bearing note receivable, \$26,509 annually including interest in 2019 and \$32,589 thereafter through February 1, 2038.	394,095
HH Jamestown, LLC, 4% interest bearing note receivable, \$5,454 per month including interest through April 1, 2043.	884,260
Kimbert Manufacturing, Inc, 4% interest bearing note receivable, \$1,300 per month including interest through January 1, 2039.	192,424

**COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 9 - NOTES RECEIVABLE (CONTINUED)**

**AI-Tech Trust Fund (continued)**

Cockaigne Development, LLC, 4% interest bearing note receivable, \$3,030 per month including interest through October 1, 2040.	\$ 479,769
Beichner Waste Services Inc, 4% interest bearing note receivable, \$1,367 per month including interest through April 1, 2027.	77,557
The Stannard Group, 4% interest bearing note receivable, interest only through May 1, 2024 then \$5,963 per month including interest through May 1, 2044.	984,000
Falcon Conveyor, 4% interest bearing note receivable (loan awarded during 2021), payments terms have not been determined as of December 31, 2021.	154,000
KGPHJ, Inc., 4% interest bearing note receivable (loan awarded during 2021), \$2,315 per month including interest through October 1, 2041.	382,000
Hy-Wit, 4% interest bearing note receivable (loan awarded during 2021), \$1,012 per month including interest through April 1, 2031.	94,503
Emergency working capital loans, during 2020 25 \$10,000 working capital loans were provided to local business in the form of 4% interest bearing notes, at \$184 per month through 2026.	<u>172,798</u>
Subtotal	8,962,474
Less: reserve	<u>(1,848,000)</u>
Subtotal	7,114,474
Less: current portion	<u>(851,299)</u>
Long-term portion - AI-Tech Trust Fund	<u>\$ 6,263,175</u>

As of December 31, 2021, the Agency had a commitment to issue notes to two companies totaling approximately \$674,109, respectively.

**EDA CARES Fund**

Webb's Candies, Inc and Webb's Motel, Inc., 2.44% interest bearing note receivable, \$648 per month including interest through January 1, 2028.	\$ 43,928
The Original Crunch Roll., 2.44% interest bearing note receivable, \$972 per month including interest through January 1, 2028.	65,891
The Bilicki Law Firm, P.C., 2.44% interest bearing note receivable, interest only through July 1, 2021, then \$1,214 per month including interest through January 1, 2028.	82,297

**NOTE 9 - NOTES RECEIVABLE (CONTINUED)**

**EDA CARES Fund (continued)**

Excelco/Newbrook, Inc., 2.44% interest bearing note receivable, \$1,620 per month including interest through February 1, 2028.	\$ 111,213
Ark Wholesale, LLC., 2.44% interest bearing note receivable, interest only through July 1, 2021, then \$2,211 per month including interest through July 1, 2026.	115,178
Shawbucks Inc., 2.44% interest bearing note receivable, interest only through July 1, 2021, then \$1,593 per month including interest through January 1, 2028.	108,178
Ivory Acres Weddings, LLC, 2.44% interest bearing note receivable, \$454 per month including interest through January 1, 2028.	30,749
Cockaigne Development, LLC, 2.44% interest bearing note receivable, \$2,635 per month including interest through January 1, 2041.	482,017
Corvus Bus & Charter, Inc., 2.44% interest bearing note receivable, \$1,620 per month including interest through January 1, 2028.	109,819
Advanced Production Group LLC, 2.44% interest bearing note receivable, interest only through May 1, 2022, \$3,970 per month including interest through September 1, 2031.	343,324
Merritt Estate Winery, Inc., 2.44% interest bearing note receivable, \$531 per month including interest through January 1, 2028.	36,021
Falconer Hotel, LLC, 2.44% interest bearing note receivable, \$1,353 per month including interest through August 1, 2031.	113,910
Pucci Carpet & Furniture, Inc., 2.44% interest bearing note receivable, \$1,620 per month including interest through February 1, 2028.	111,213
Luscombe Aircraft Corporation., 2.44% interest bearing note receivable, \$1,731 per month including interest through February 1, 2028. Awarded an additional 4% interest bearing note receivable \$197,000(loan awarded during 2021), \$1,038 per month including interest through December 1, 2041.	316,074
Kimbert Mfg. Inc., 2.44% interest bearing note receivable, \$1,210 per month including interest through February 1, 2036.	173,714
International Ordinance Inc., 2.44% interest bearing note receivable (loan awarded during 2021), \$1,620 per month including interest through February 1, 2028.	111,213

**COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE 9 - NOTES RECEIVABLE (CONTINUED)**

**EDA CARES Fund (continued)**

Brigiotta's Farmland Produce and Garden Center, Inc., 2.44% interest bearing note receivable (loan awarded during 2021), \$1,620 per month including interest through February 1, 2028.	\$ 111,213
The Gerry Homes Inc., 2.44% interest bearing notes receivable (loans awarded during 2021) \$1,620 and \$2,350 per month including interest through February 1, 2028 and February 1, 2031, respectively.	342,628
Uhl Ventures, LLC, 2.44% interest bearing note receivable (loan awarded during 2021), \$443 per month including interest through March 1, 2026.	21,441
Webbs Harbor Restaurant and Bowling Lanes, Inc., 2.44% interest bearing note receivable (loan awarded during 2021), \$1,620 per month including interest through February 1, 2028.	111,213
Pace's Pizzeria, LLC., 2.44% interest bearing notes receivable (loans awarded during 2021), \$1,175, \$846, and \$162 per month including interest through March 1, 2031, July 1, 2031 and March 1, 2028, respectively.	215,912
Artone, LLC., 2.44% interest bearing notes receivable (loans awarded during 2021), \$3,473, and \$1,620 per month including interest through October 1, 2031 and February 1, 2028, respectively.	475,224
Lakeside Capital Corp., 2.44% interest bearing note receivable (loan awarded during 2021), \$981 per month including interest through December 1, 2026.	55,368
Jamestown's Rental Properties LLC, 2.44% interest bearing note receivable (loan awarded during 2021), \$1,296 per month including interest through September 1, 2028.	96,715
Lido's Crescent Inn Inc., 2.44% interest bearing note receivable (loan awarded during 2021), \$324 per month including interest through July 1, 2028.	23,628
Monofrax, LLC., 2.44% interest bearing note receivable (loan awarded during 2021), \$2,215 per month including interest through August 1, 2026.	117,132
Ready About Sailing, Inc., 2.44% interest bearing notes receivable (loans awarded during 2021), interest only through May 1, 2022 and June 1, 2022, then \$846 and \$1,735 per month including interest through December 1, 2036 and December 1, 2028, respectively.	250,000

**NOTE 9 - NOTES RECEIVABLE (CONTINUED)**

**EDA CARES Fund (continued)**

Rocky's Family Karate and Fitness Inc., 2.44% interest bearing note receivable (loan awarded during 2021), \$324 per month including interest through July 1, 2028.	\$ 23,628
Scott's Peek'N Peak, LLC., 2.44% interest bearing note receivable (loan awarded during 2021), \$1,675 per month including interest through July 1, 2028.	122,155
The Service Manufacturing Group, Inc., 2.44% interest bearing note receivable (loan awarded during 2021), \$356 per month including interest through February 1, 2029.	27,500
Reg Lenna Center for the Arts, Inc., 2.44% interest bearing note receivable (loan awarded during 2021), interest only through August 1, 2022, \$1,777 per month including interest through December 1, 2028.	125,000
Cleaners of Chautauqua, Inc., 2.44% interest bearing note receivable (loan awarded during 2021), \$1,296 per month including interest through May 1, 2028.	92,303
The Kosciuszko Polish Home Association, Inc., 2.44% interest bearing note receivable (loan awarded during 2021), \$347 per month including interest through May 1, 2028.	24,704
The Maple Springs Lake Side Inn, Inc., 2.44% interest bearing notes receivable (loans awarded during 2021), \$648 and \$1,410 per month including interest through April 1, 2028 and April 1, 2028, respectively.	186,694
Lynn Development, Inc., 2.44% interest bearing note receivable (loan awarded during 2021), \$1,620 per month including interest through May 1, 2028.	115,379
Southern Tier Environments for Living, Inc., 2.44% interest bearing note receivable (loan awarded during 2021), \$1,620 per month including interest through May 1, 2028.	118,656
Fredonia Ford Inc., 2.44% interest bearing note receivable (loan awarded during 2021), \$3,689 per month including interest through May 1, 2041.	684,044
National Comedy Center, Inc., 2.44% interest bearing note receivable (loan awarded during 2021), \$1,731 per month including interest through May 1, 2028.	123,523
Falconer Power Sports, Inc., 2.44% interest bearing note receivable (loan awarded during 2021), \$1,620 per month including interest through May 1, 2028.	115,379

**COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY**  
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**NOTE 9 - NOTES RECEIVABLE (CONTINUED)**

**EDA CARES Fund (continued)**

Lancaster LLC., 2.44% interest bearing notes receivable (loans awarded during 2021), \$592 and \$306 per month including interest through November 1, 2031 and September 1, 2028, respectively.	\$ 84,536
James Turner Sales, 2.44% interest bearing note receivable (loan awarded during 2021), \$1,296 per month including interest through February 1, 2028.	94,513
Majestic Woods, LLC, 2.44% interest bearing notes receivable (loans awarded during 2021), \$389, \$483 and \$560 per month including interest through July 1, 2028, September 1, 2028 and December 1, 2028, respectively.	107,580
Meeder's Restaurant, Inc., 2.44% interest bearing note receivable (loan awarded during 2021), \$972 per month including interest through July 1, 2028.	70,885
Chautauqua Lake Self Storage, LLC., 2.44% interest bearing note receivable (loan awarded during 2021), \$2,371 per month including interest through November 1, 2041.	448,544
International Ordinance Inc., 2.44% interest bearing note receivable (loan awarded during 2021), \$3,241, per month including interest through October 1, 2031.	244,530
Birchman's Parisian, LLC., 2.44% interest bearing note receivable (loan awarded during 2021), \$519 per month including interest through September 1, 2028, respectively.	<u>38,686</u>
Subtotal	7,023,452
Less: reserve	<u>(1,151,000)</u>
Subtotal	5,872,452
Less: current portion	<u>(811,771)</u>
Long-term portion – EDA CARES	<u>\$ 5,060,681</u>

As of December 31, 2021, the Agency had a commitment to issue notes to two companies totaling approximately \$646,609, respectively.

**CREDC Economic Development Program**

Cockaigne Development, LLC, loan of \$400,000, If conditions of loan are met through April 30, 2024, \$200,000 of the loan will be forgiven.	\$ 328,225
Less: reserve	<u>(49,000)</u>
Subtotal	279,225
Less: current portion	<u>(39,866)</u>
Long-term portion – CREDC	<u>\$ 239,359</u>

**NOTE 9 - NOTES RECEIVABLE (CONTINUED)**

The Agency makes reserves for uncollectible notes receivable based on an assessment of the recoverability of receivables. Reserves are applied to notes receivables where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyzed customer creditworthiness, available collateral, current economic trends and changes in customer payment terms when making a judgement to evaluate the adequacy of the reserve for uncollectible notes receivables. Where the expectation is different from the original estimate, such difference will impact the carrying value of receivables. It is at least reasonably possible that the estimated reserve for uncollectible notes receivable will change in the future.

**NOTE 10 - LONG-TERM DEBT**

**Industrial Development Agency**

Bond payable to County of Chautauqua with an interest rate of 3%. Proceeds to be used to acquire Talcott Street property in Dunkirk, NY. Payable upon disposition of the acquired property.	\$ 2,000,000
Bond payable to County of Chautauqua. Proceeds used for construction of the Stoneman Industrial Park SPEC Building. Payable \$99,591 semi-annually beginning February 20, 2002, including interest at 3% - 5% accruing as of August 20, 2001, compounded semi-annually. The bond matures in 2032.	819,113
Bond payable to County of Chautauqua with an annual interest rate of 5%. Proceeds used for the construction of a new aircraft storage hangar. Payable on March 2022 or upon disposition of the acquired property.	81,371
Bond payable to County of Chautauqua with interest at 2.274%. Proceeds used for construction of the Chadwick Bay Industrial Park SPEC Building. Monthly principal and interest payments totaling \$9,428 began July 25, 2013. The bond matures July 25, 2033.	<u>1,143,960</u>
Subtotal	4,044,444
Less: current portion	<u>(2,233,135)</u>
Long-term debt – IDA	<u>\$ 1,811,309</u>

At December 31, 2021, debt service requirements are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
<b>CCIDA</b>			
2022	\$ 2,233,135	\$ 48,802	\$ 2,281,937
2023	155,726	44,840	200,566
2024	159,792	40,774	200,566
2025	163,967	36,599	200,566
2026	168,253	32,313	200,566
2027-2031	909,671	93,159	1,002,830
2032-2033	253,900	4,458	258,358
	<u>\$ 4,044,444</u>	<u>\$ 300,945</u>	<u>\$ 4,345,389</u>



**COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY**  
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**NOTE 10 - LONG-TERM DEBT (CONTINUED)**

**Industrial Development Agency (continued)**

CCIDA incurred interest expense in the amounts of \$52,970 during 2021.

**NOTE 11 - PASS-THROUGH TRANSACTIONS**

The Agency's responsibility regarding these transactions is to pass-through funds received to the primary recipients. Pass-through transactions are recorded as income or liabilities when received and expenses and reduction of liabilities when paid.

The Agency has received and disbursed the following funds resulting from this pass-through income during 2021:

IDA	Receipts	Disbursements
<b><u>Pilot Program</u></b>		
Pilot payments collected from businesses and remitted to local governments	\$ 2,027,414	\$ 2,027,414

**NOTE 12 – DEFINED CONTRIBUTION PLAN**

The Agency has a 401 (a) retirement plan, which covers employees over the age of 21, except for leased employees and those employees whose employment is governed by a collective bargaining agreement that does not participate in plan. It allows for employer to make discretionary contributions each year at a percentage of each eligible employee's compensation. The Agency had expenses related to the Plan in the amount of \$27,989 for the year ended December 31, 2021. The balance in the 401 (a) as of December 31, 2021 was \$133,765 as presented in the Statement of Fiduciary Net Position.

**NOTE 13 – DEFERRED COMPENSATION PLAN**

The Agency has a 457 deferred compensation plan, which covers employees over the age of 21, except for leased employees and those employees whose employment is governed by a collective bargaining agreement that does not participate in plan. Employees can elect to make discretionary contributions to the deferred compensation plan. The employees contributed \$60,686 to the deferred compensation plan for the year ended December 31, 2021. The balance of the deferred compensation plan as of December 31, 2021 was \$404,464 as presented in the Statement of Fiduciary Net Position.

**NOTE 14 - INTERAGENCY TRANSACTIONS**

During the current year, the Agency's general fund charged costs to administer the loan funds which were recorded as expenditures in the applicable loan funds. These costs are included within general and administrative expenses in the combined statement of revenue, expenditures and changes in net position while the corresponding revenue was recognized by the IDA in other income. Costs were allocated as follows:

Revolving Loan Fund	\$ 989
CCCRC	62,500
CREDC	49,370
EDA CARES	216,212
AI-tech Loan Fund	89,044
	<u>\$ 418,115</u>

**NOTE 15 - RESTRICTED NET POSITION**

The amounts restricted as of December 31, 2021 include:

<b><u>Chautauqua Revolving Loan Fund</u></b>	
Revolving Loan funds	<u>\$ 583,744</u>
<b><u>AI Tech Trust Fund</u></b>	
AI Tech funds	<u>\$ 8,816,627</u>
<b><u>EDA CARES Fund</u></b>	
EDA CARES funds	<u>\$ 6,872,991</u>

**NOTE 16 – FAIR VALUE MEASUREMENTS**

Certain assets and liabilities of the Agency are reported at fair value in the accompanying statements of financial position. A fair value hierarchy exists that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy consists of three broad levels. Level 1 inputs on the hierarchy consist of unadjusted quoted prices in active markets and have the highest priority. Level 2 inputs consist of quoted prices in active markets for similar assets or liabilities or quoted prices in inactive markets for identical or similar assets or liabilities. Level 3 inputs have the lowest priority. The Agency uses appropriate valuation techniques based on available inputs to measure the fair value of assets and liabilities.

When estimating the fair value of notes and mortgage receivable, while management presents the receivables for financial purposes in the aggregate, they assess them individually in the portfolio. The Agency establishes the fair market value by considering the value of the loan portfolio and establishes an allowance for doubtful accounts that is sufficient to cover any anticipated losses. Part of the evaluation is to consider historical trends of collection on loans, the quality of the loan recipients and general economic conditions in the geographic area in which the majority of the Agency's loan recipients do business in. The loans and mortgage receivable are considered to be Level 3 inputs.

**COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2021**

**NOTE 16 – FAIR VALUE MEASUREMENTS(CONTINUED)**

The table below presents information about the changes in receivables for 2021.

	<b>Chautauqua Revolving Loan Fund</b>	<b>AI-Tech Trust Fund</b>
Beginning balance	\$ 466,148	\$ 7,373,147
New loans made	--	636,000
Principal payments received	(50,333)	(953,799)
Bad debt (expense) recovery	(5,000)	59,126
Ending balance	<u>\$ 410,815</u>	<u>\$ 7,114,474</u>

	<b>IDA Mortgage Receivable</b>	<b>CREDC Note Receivable</b>
Beginning balance	\$ 2,089,939	\$ 300,302
New loans made	--	--
Principal payments received	(139,779)	(39,077)
Bad debt (expense) recovery	--	18,000
Ending balance	<u>\$ 1,950,160</u>	<u>\$ 279,225</u>

	<b>EDA CARES Fund</b>
Beginning balance	\$ 1,547,683
New loans made	5,187,278
Principal payments received	(374,509)
Bad debt (expense) recovery	(488,000)
Ending balance	<u>\$ 5,872,452</u>

The geographic area in which the majority of the Agency's loan recipients do business in is western New York and the economic conditions of the region could be a factor in risk of loss. Each note has a varying position on collateral held by the Agency, which includes real property, equipment, other business assets and personal guarantees. The Agency evaluates the amount of loss due to credit risk when establishing reserves for uncollectible balances.

**NOTE 17 – WIND FARMS**

During 2017, 2016 and 2015, the Agency entered into PILOT agreements with companies related to the construction of windfarms. The agreements call for administrative fees to be paid to CCIDA in the amounts of \$1,500,000 (Cassadaga agreement), \$1,000,000 (Ball Hill agreement) and \$950,000 (Arkwright agreement) over a period of eight years. CCIDA recognized revenue in the Statement of Revenue, Expenditures and Changes in Financial Position in the amount of \$300,000 (Ball Hill Windfarm) during the year ended December 31, 2021.

**NOTE 17 – WIND FARMS (CONTINUED)**

Management believes future payments on the agreements are contingent upon the construction of the wind towers which has taken place for all agreements. Below is a schedule of the remaining payments under the agreements:

	<b>Cassadaga Windfarm</b>	<b>Ball Hill Windfarm</b>	<b>Arkwright Windfarm</b>
2022	\$ 200,000	\$ 100,000	\$ 200,000
2023	200,000	100,000	--
2024	200,000	--	--
Total remaining payments	<u>\$ 600,000</u>	<u>\$ 200,000</u>	<u>\$ 200,000</u>

**NOTE 18 – ATHENEX PROJECT**

During 2017, the Agency entered into a PILOT agreement with Athenex, Inc. The agreement calls for administrative fees to be paid to CCIDA in the amounts of \$1,750,000 over a period of nine years. During 2017, CCIDA received and recognized revenue the first payment (\$100,000) in the Statement of Revenue, Expenditures and Changes in Financial Position. Construction began on the Athenex Project during 2018 which triggered revenue recognition for the project and resulted in the Agency recognizing a receivable and revenue related to the remaining payments. The Agency recognized revenue in the amount of \$1,650,000 during the year ended December 31, 2018. Below is a schedule of the remaining payments under the agreement:

	<b>Athenex</b>
2022	\$ 175,000
2023	175,000
2024	175,000
2025	175,000
2026	<u>250,000</u>
Total remaining payments	<u>\$ 950,000</u>

**NOTE 19 – RENTAL INCOME**

The CCIDA receives rental income from various entities related to the Talcott Street building. Rental income amounted to \$236,050 for the year ended December 31, 2021. Anticipated rental income for the next five years are as follows:

2022	\$ 233,150
2023	26,900
2024	26,900
2025	26,900
2026	<u>26,900</u>
Total	<u>\$ 340,750</u>

**COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2021**

**NOTE 20 – INVESTED CAPITAL NET OF RECEIVABLES AND DEBT**

CCIDA and certain component units have net assets classified as invested capital, net of receivables and debt. Below is a calculation of the amounts reported in the Statement of Net Position:

	<u>IDA</u>	<u>CREDC</u>
Capital assets	\$ 1,858,238	\$ --
Land held for resale	958,738	30,488
Mortgage receivable	1,950,160	--
Long-term debt	<u>(4,044,444)</u>	<u>--</u>
Ending balance	<u>\$ 722,692</u>	<u>\$ 30,488</u>

**NOTE 21 – PARTNERSHIP FOR ECONOMIC GROWTH**

In 2018 Chautauqua County entered into a two-phased economic development plan. The mission of the plan was to work with private and public sectors in a collaborative effort to develop a strategy for future economic prosperity. Phase one was directed towards developing the plan at the County level. Phase two, which occurred in 2019, involved creating the organization, Chautauqua County Partnership for Economic Growth (PEG), under the umbrella of CREDC. PEG through its partnership board and advisory group has approved multiple projects aimed at economic development in the Chautauqua region. During the years ended December 31, 2021 and 2020, CREDC recognized \$293,199 and \$189,255, respectively, of grant revenue for the various projects.

**NOTE 22 – OFFICE OF COMMUNITY RENEWAL GRANT**

During 2021, CREDC was awarded a \$250,000 Office of Community Renewal (OCR) grant from New York State. Approximately \$115,000 of the funds were passed through to a corporation and held in escrow to be utilized towards a development project. CREDC received notice from OCR that the project was denied and therefore, CREDC anticipates the funds will be returned from the corporation's escrow fund. Once received, the funds will be returned to New York State OCR. The amount anticipated to be received by CREDC is recorded as an other receivable and the amount to be returned to New York State is reported as due to other governments in the Statement of Net Position as of December 31, 2021.

**NOTE 23 – EDA CARES REVOLVING LOAN FUND**

On September 9, 2020 the *County of Chautauqua Industrial Development Agency* was selected as the recipient of a \$10.5 million grant through the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which enabled the agency to establish a new Revolving Loan Fund(RLF). The RLF will provide capital in the form of low-interest loans to both businesses and non-profit organizations to respond to economic injury resulting from the COVID-19 pandemic. As of December 31, 2021 \$7,023,452 was loaned out to 47 different local businesses to assist with any hardships experienced due to the pandemic. Due to the economic hardships and uncertainty surrounding these loans, the Agency reserved against 15% of all loans outstanding as of December 31, 2021.

**NOTE 24 – AL-TECH LOAN FUND**

During the year ended December 31, 2021, the Agency's Al-Tech loan fund met the requirements for defederalization. The Agency applied for and received approval of defederalization from the Economic Development Agency, effectively releasing that revolving loan fund from the requirements of the federal government's Uniform Guidance.

**NOTE 25 – COVID 19 PANDEMIC**

In March 2020, the World Health Organization declared the novel strain of COVID-19 (coronavirus) a global pandemic and has become increasingly widespread in the United States. The coronavirus outbreak has had a significant impact on financial markets and general economic conditions.

Given the uncertainty regarding the COVID-19 Pandemic, the overall financial impact to the District cannot be reasonably predicted or estimated at this time.

**NOTE 26 – SUBSEQUENT EVENTS**

Subsequent events were evaluated through March 15, 2022, which is the date the financial statements were available to be issued.

***SUPPLEMENTARY INFORMATION***

**COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY**  
**SCHEDULE OF OTHER INCOME AND GENERAL AND ADMINISTRATIVE**  
**EXPENSES – ALL FUNDS**

**Schedule 1**  
**Page 26**

Year ended December 31, 2021

	CCIDA				Chautauqua County Capital Resource Corporation	CREDC	(Memo Only) Total Reporting Entity
	Industrial Development Agency	Chautauqua Revolving Loan Fund	AI-Tech Trust Fund	EDA CAREs Fund			
<b>Other Income</b>							
Interagency charges	\$ 418,115	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 418,115
Other	33,835	--	--	--	--	2,500	36,335
<b>Total other income</b>	<b>\$ 451,950</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>	<b>\$ 2,500</b>	<b>\$ 454,450</b>
<b>General and Administrative Expenses</b>							
Payroll and benefits	\$ 652,388	\$ --	\$ --	\$ --	\$ --	\$ 125,117	\$ 777,505
Publicity and promotion	74,678	--	--	2,324	--	4,533	81,535
Rent	151,003	--	--	--	--	6,000	157,003
Insurance	30,036	--	--	1,273	--	240	31,549
Office and postage	38,446	--	--	--	--	4,884	43,330
Meeting expense	186	--	--	--	--	--	186
Professional fees	213,394	--	2,051	53,310	--	180,587	449,342
Interagency charges	--	989	89,044	216,212	62,500	49,370	418,115
Utilities	145,033	--	8,428	--	--	50	153,511
Dues and subscriptions	19,629	--	--	--	--	2,923	22,552
Miscellaneous	25,500	--	--	--	--	12,199	37,699
Travel and entertainment	20,843	--	--	--	--	1,598	22,441
Other	16,636	--	--	--	--	--	16,636
<b>Total general and administrative</b>	<b>\$ 1,387,772</b>	<b>\$ 989</b>	<b>\$ 99,523</b>	<b>\$ 273,119</b>	<b>\$ 62,500</b>	<b>\$ 387,501</b>	<b>\$ 2,211,404</b>

See accompanying independent auditor's report.

**COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY**  
**SCHEDULE OF TAX-EXEMPT BONDS**

**Schedule 2**  
**Page 27**

As of December 31, 2021

	<b>Loan ID</b>	<b>Original Amount</b>	<b>Outstanding Principal</b>	<b>Date of Issuance</b>	<b>Date of Maturity</b>	<b>Interest Rate</b>
<b>Tax-exempt bonds</b>						
<b>County of Chautauqua Industrial Development Agency:</b>						
Lutheran Social Services	0601-05-05B	5,500,000	1,671,198	2005	2026	Variable
JCC Foundation Inc.	0601-07-02A	3,345,000	1,365,000	2007	2027	Variable
Covenant Manor Apartments	0601-14-01	4,440,000	3,890,000	2014	2054	Variable
<b>Chautauqua County Capital Resource Corporation:</b>						
Jamestown Center City Development Co.	0601-13-01A	20,235,000	14,235,000	2021	2031	Variable
Lutheran Housing Administration Services Group Inc.	0601-17-02	6,300,000	5,370,000	2017	2037	Variable
NRG Power Corporation	0601-09-01	58,500,000	58,500,000	2020	2042	Variable

**COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY**  
**SCHEDULE OF NET POSITION - CREDC**

**Schedule 3**  
**Page 28**

As of December 31, 2021

	CREDC		
	Operating Fund	Partnership for Economic Growth (PEG)	(Memo Only) Total Reporting Entity
<b>Assets</b>			
<b>Current</b>			
Cash and cash equivalents	\$ 68,240	\$ 359,555	\$ 427,795
Other receivables	131,195	25,000	156,195
Other current assets	2,093	2,888	4,981
Current portion, notes receivable	39,866	--	39,866
Total current assets	<b>241,394</b>	<b>387,443</b>	<b>628,837</b>
<b>Other assets</b>			
Notes receivable, net of current portion	288,359	--	288,359
Allowance for uncollectible notes receivable	(49,000)	--	(49,000)
Real property held for resale	30,488	--	30,488
Total other assets	<b>269,847</b>	<b>--</b>	<b>269,847</b>
	<b>\$ 511,241</b>	<b>\$ 387,443</b>	<b>\$ 898,684</b>
<b>Liabilities and Net Position</b>			
<b>Current liabilities</b>			
Accounts payable	\$ 22,523	\$ 11,413	\$ 33,936
Due to other governments	114,975	--	114,975
Unearned revenue	200,000	350,000	550,000
Total current liabilities	<b>337,498</b>	<b>361,413</b>	<b>698,911</b>
<b>Total liabilities</b>	<b>337,498</b>	<b>361,413</b>	<b>698,911</b>
<b>Net position</b>			
Invested in capital assets, net of related debt	30,488	--	30,488
Unrestricted	143,255	26,030	169,285
Total net position	<b>173,743</b>	<b>26,030</b>	<b>199,773</b>
	<b>\$ 511,241</b>	<b>\$ 387,443</b>	<b>\$ 898,684</b>

See accompanying independent auditor's report.

**COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY**  
**SCHEDULE OF REVENUE, EXPENDITURES AND**  
**CHANGES IN NET POSITION – CREDC**

**Schedule 4**  
**Page 29**

Year ended December 31, 2021

	CREDC		(Memo Only) Total Reporting Entity
	Operating Fund	Partnership for Economic Growth (PEG)	
<b>Revenue</b>			
Rental income	\$ 2,900	\$ --	\$ 2,900
Interest income	2,992	--	2,992
Grant income	--	293,199	293,199
Other income	2,500	--	2,500
<b>Total revenue</b>	<b>8,392</b>	<b>293,199</b>	<b>301,591</b>
<b>Expenditures</b>			
General and administrative	82,243	305,258	387,501
Bad debt expense (recovery)	(18,000)	--	(18,000)
<b>Total expenses</b>	<b>64,243</b>	<b>305,258</b>	<b>369,501</b>
<b>Excess (deficiency) of revenue over expenditures</b>	<b>(55,851)</b>	<b>(12,059)</b>	<b>(67,910)</b>
Net position, beginning	231,129	36,554	267,683
Equity transfer*	(1,535)	1,535	--
<b>Net position, ending</b>	<b>\$ 173,743</b>	<b>\$ 26,030</b>	<b>\$ 199,773</b>

\*Equity transfer- During the year ended December 31, 2020, revenues related to the PEG fund were recorded and realized in the Operating Fund. In the current year the amounts previously recorded in the operating fund was transferred to the PEG fund.



**COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY**  
**SCHEDULE OF CASH FLOWS - CREDC**

**Schedule 5**  
**Page 30**

Year ended December 31, 2021

	CREDC		
	Operating Fund	Partnership for Economic Growth (PEG)	(Memo Only) Total Reporting Entity
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Grant income	\$ --	\$ 532,499	\$ 532,499
Rental income	2,900	--	2,900
Cash paid to contractors	(12,443)	(203,729)	(216,172)
Interagency charges	(49,370)	--	(49,370)
Cash paid to employees	--	(93,115)	(93,115)
Other receipts	2,500	--	2,500
Interest received	2,992	--	2,992
<b>Net cash provided by (used in) operating activities</b>	<b>(53,421)</b>	<b>235,655</b>	<b>182,234</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Collections on notes receivable	39,077	--	39,077
<b>Net cash provided by investing activities</b>	<b>39,077</b>	<b>--</b>	<b>39,077</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Equity transfer	(1,535)	1,535	--
<b>Net cash provided by (used in) investing activities</b>	<b>(1,535)</b>	<b>1,535</b>	<b>--</b>
<b>Net change in cash</b>	<b>(15,879)</b>	<b>237,190</b>	<b>221,311</b>
Cash, beginning of year	84,119	122,365	206,484
<b>Cash, end of year</b>	<b>\$ 68,240</b>	<b>\$ 359,555</b>	<b>\$ 427,795</b>
<b>Reconciliation of change in net position to net cash provided by (used in) operating activities:</b>			
Change in net position	\$ (55,851)	\$ (12,059)	\$ (67,910)
Adjustments to reconcile change in net position to net cash provided by (used in) operating activities:			
Bad debt expense (recovery)	(18,000)	--	(18,000)
Change in operating assets and liabilities:			
Security deposits and other assets	(2,093)	(2,888)	(4,981)
Accounts payable	22,523	11,413	33,936
Accrued liabilities	--	(111)	(111)
Unearned revenue	--	239,300	239,300
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (53,421)</b>	<b>\$ 235,655</b>	<b>\$ 182,234</b>
<b>Supplemental Disclosure of Cash Flow Information:</b>			
Cash paid during the year for:			
Interest	\$ --	\$ --	\$ --
Non Cash Transactions:			
Other receivable	\$ 114,975	\$ --	\$ 114,975
Due to other governments	(114,975)	--	(114,975)
	<b>\$ --</b>	<b>\$ --</b>	<b>\$ --</b>

See accompanying independent auditor's report.

**COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Year ended December 31, 2021

Grantor/Pass-through agency	Project Title	Federal CFDA Number	Project Number	Expenditures
<b>U.S. Department of Commerce:</b>				
Economic Development Administration	Economic Adjustment Assistance-COVID 19	11.307	01-79-15014	\$ 8,785,110
<b>Total U.S. Department of Commerce</b>				<u>8,785,110</u>
<b>Appalachian Regional Commission passed through Appalachian Community Capital:</b>				
Appalachian Community Capital	COVID-19 Business Assistance Response Grant	23.001	ARC-ACC	28,750
<b>Total Appalachian Regional Commission</b>				<u>28,750</u>
<b>Total Federal Awards</b>				<u><u>\$ 8,813,860</u></u>

**Note 1 - Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the Federal grant activity of the County of Chautauqua Industrial Development Agency and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

**Note 2 - Indirect Costs**

The Agency has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance in the current year.

**Note 3 - EDA RLF Expenditure Calculation**

The federal expenditures for the Economic Development Administration (the "EDA") Economic Adjustment Assistance Revolving Loan Fund (the "RLF") for the year ended December 31, 2021 are calculated as follows:

Outstanding loans receivable as of December 31, 2021	\$ 7,023,452
Cash as of December 31, 2021	1,000,539
Administrative expenses for the year ended December 31, 2021	273,119
Loan losses for the year ended December 31, 2021	<u>488,000</u>
Total EDA RLF expenditures	<u><u>\$ 8,785,110</u></u>



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH "GOVERNMENT AUDITING STANDARDS"**

**To the Board of Directors**  
***County of Chautauqua Industrial Development Agency***  
**Jamestown, New York**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of ***County of Chautauqua Industrial Development Agency*** and its component units, the Chautauqua Region Industrial Development Corporation and the Chautauqua County Capital Resource Corporation, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Agency and its component units' basic financial statements and have issued our report thereon dated March 15, 2022.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered ***County of Chautauqua 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 ***County of Chautauqua Industrial Development Agency's*** internal control. Accordingly, we do not express an opinion on the effectiveness of ***County of Chautauqua Industrial Development Agency's*** internal control.

A deficiency in internal control over financial reporting exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention to those charged with governance.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal controls over that we consider to be material weaknesses. However, material weaknesses may exist and have not been identified.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether ***County of Chautauqua Industrial Development Agency's*** financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 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 result 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.

*Buffamante Whipple Buttafaro PC*

**BUFFAMANTE WHIPPLE BUTTAFARO, P.C.**

**Jamestown, New York  
March 15, 2022**

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

**To the Board of Directors**  
*County of Chautauqua Industrial Development Agency*  
Jamestown, New York

**Opinion on Each Major Program**

We have audited *County of Chautauqua Industrial Development Agency's* compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on each of the Institution's major federal programs for the year ended December 31, 2021. *County of Chautauqua Industrial Development Agency's* major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, *County of Chautauqua Industrial Development Agency* complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each major federal program for the year ended December 31, 2021.

**Basis for Opinion on Each Major Federal Program**

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of *County of Chautauqua Industrial Development Agency* and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of *County of Chautauqua Industrial Development Agency's* compliance with the compliance requirements referred to above.

**Responsibilities of Management for Compliance**

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to *County of Chautauqua Industrial Development Agency's* federal programs.

**Auditor's Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on *County of Chautauqua Industrial Development Agency's* compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about *County of Chautauqua Industrial Development Agency's* with the requirements of each major federal program as a whole.

## **Auditor's Responsibilities for the Audit of Compliance (continued)**

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding **County of Chautauqua Industrial Development Agency's** compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of **County of Chautauqua Industrial Development Agency's** internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of **County of Chautauqua Industrial Development Agency's** internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control Over Compliance**

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that may be material weakness or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

### ***Purpose of this Report***

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Buffamante Whipple Buttafaro PC*

**BUFFAMANTE WHIPPLE BUTTAFARO, P.C.**

**Jamestown, New York  
March 15, 2022**



**COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED DECEMBER 31, 2021**

**II. FINANCIAL STATEMENT AUDIT – FINDINGS**

**A. INTERNAL CONTROL OVER FINANCIAL REPORTING**

**Year ended December 31, 2021**

There are no internal control over financial reporting findings reported upon during the fiscal year ended December 31, 2021.

**B. COMPLIANCE AND OTHER MATTERS**

**Year ended December 31, 2021**

There are no compliance and other matters findings reported upon during the year ended December 31, 2021.

**III. MAJOR FEDERAL AWARD PROGRAMS AUDIT - FINDINGS AND QUESTIONED COSTS**

**A. COMPLIANCE**

**Year ended December 31, 2021**

There are no instances of noncompliance reported upon during the year ended December 31, 2021.

**B. INTERNAL CONTROLS OVER COMPLIANCE**

**Year ended December 31, 2021**

There are no findings related to internal control over compliance are reported upon during the fiscal year ended December 31, 2021.



**COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY  
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2021**

**I. FINANCIAL STATEMENT AUDIT – FINDINGS**

**A. INTERNAL CONTROL OVER FINANCIAL REPORTING**

**Year ended December 31, 2020**

There were no internal control over financial reporting findings reported upon during the fiscal year ended December 31, 2020.

**B. COMPLIANCE AND OTHER MATTERS**

**Year ended December 31, 2020**

There were no compliance and other matters findings reported upon during the year ended December 31, 2020.

**II. MAJOR FEDERAL AWARD PROGRAMS AUDIT - FINDINGS AND QUESTIONED COSTS**

**A. COMPLIANCE**

**Year ended December 31, 2020**

There were no instances of noncompliance reported upon during the year ended December 31, 2020.

**B. INTERNAL CONTROLS OVER COMPLIANCE**

**Year ended December 31, 2020**

There were no findings related to internal control over compliance are reported upon during the fiscal year ended December 31, 2020.