

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

**REPORT ON
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
DECEMBER 31, 2023**

**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, 2023, 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, 2023 and 2022, 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.

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

- 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.
- 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 financial statements as a whole. The supplemental statements on pages 26 through 30 are presented for purposes of additional analysis and are not a required part of the 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 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 financial statements. That information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 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 26, 2024, 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 26, 2024**

**COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

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, 2023. 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, 2023:

- Overall net position of the Agency increased \$2,372,000 during the year ended December 31, 2023.
- The Agency's total revenue and other sources were approximately \$6,815,000 during 2023 as compared with \$5,956,000 during 2022. This increase was primarily related to the forgiveness of the debt related to the Talcott Street property.
- The Agency's total expenses and other uses were approximately \$4,443,000 during 2023 as compared to \$3,798,000 during 2022. This increase was primarily the result of an increase in grants passed through to assisted entities and employee wages and benefits.
- PILOT payments passed through to local governmental units were approximately \$2,498,000 during 2023 as compared to \$2,359,000 during 2022.
- The Agency sold the Talcott Street property in June 2023 for \$1,340,999 resulting in a loss of sale of property of \$118,423. The associated \$2,000,000 bond was forgiven after providing the proceeds from the sale to the County resulting in a gain on forgiveness of debt of \$978,284.

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.

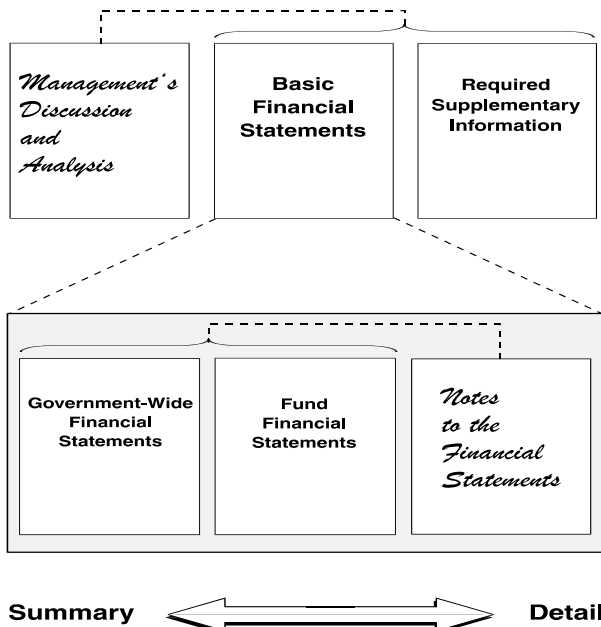
2. Combined Statement of Revenue, Expenditures, and Changes in Net Position-All Fund Types

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, 2023**

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



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

Revenue (continued)

- Revenue from application and administrative fees increased \$7,000 during the year ended December 31, 2023. This increase was primarily related to administrative fees related to solar projects.
- Grant income decreased \$1,955,000 during the year ended December 31, 2023 primarily related to grant income related to the EDA CARES revolving loan fund.
- Economic development service agreement revenue increased \$2,057,000 during the year ended December 31, 2023 related to Broadband and North County service agreement contracts received from the Chautauqua County.
- Revenue from interest income increased \$142,000 during the year ended December 31, 2023 as a result of a larger loan portfolio in 2023 related to the AI Tech Loan and EDA CARES funds.

Expenses

The total cost of all programs and services of the Agency was approximately \$4,443,000. 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 \$4,443,000 during the year ended December 31, 2023 as compared with \$3,798,000 during the year ended December 31, 2022. This increase was primarily the result of an increase in general and administrative related to professional fees.
- The Agency's general and administration costs were approximately \$3,154,000 during the year ended December 31, 2023 as compared with \$2,633,000 during the year ended December 31, 2022. This increase was caused by increases in professional fees related to the North County development.
- 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, 2023, the Agency has reserved against potential uncollectible loans approximately \$66,000, \$1,871,000, \$1,832,000, and \$50,000 for the Chautauqua Revolving Loan Fund, the AI-Tech Trust Fund, the EDA CARES Fund, and the CREDC fund, respectively. Bad debt expense(recovery) totaled approximately \$473,000 and \$324,000 during the years ended December 31, 2023 and 2022, respectively.
- The Agency's grant expense increased approximately \$56,000 in 2023 due to business assistance grants and their associated costs.

IV. Financial Analysis of the Agency as a Whole

Net Position

The Agency's total entity-wide net position at December 31, 2023 was approximately \$24,517,000. This includes: capital assets, net of related debt of \$2,903,000, restricted net position of \$18,370,000; and unrestricted net position of \$3,244,000.

Revenue

The Agency's total revenue and other sources were approximately \$6,815,000 during the year ended December 31, 2023. The Agency also received approximately \$2,498,000 of pass-through revenue during the year ended December 31, 2023. 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 2% of the Agency's total revenue decreased by \$127,000 during the year ended December 31, 2023. This decrease was due to the sale of the Talcott Street property in June 2023 which previously generated rental income for a full year.

**COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Figure A-3 - Combined Statement of Net Position

<i>County of Chautauqua Industrial Development Agency and Component Units</i>			
<i>Combined Statement of Net Position (in thousands of dollars)</i>			
	Total Government-wide		
	2023	2022	% Change
Assets			
Current and other assets	\$ 15,008	\$ 10,719	40%
Capital and right of uses assets, net	1,008	2,595	-61%
Other assets	18,907	17,634	7%
Total assets	\$ 34,923	\$ 30,948	13%
Liabilities			
Current liabilities	\$ 8,202	\$ 6,294	30%
Long-term liabilities	2,204	2,453	-10%
Total liabilities	10,406	8,747	19%
Net Position			
Invested in capital assets, net of related debt	2,903	648	348%
Restricted	18,370	18,556	-1%
Unrestricted	3,244	2,997	8%
Total net position	24,517	22,201	10%
Total liabilities and net position	\$ 34,923	\$ 30,948	13%

Figure A-4 Statement of Revenue & Expenses

<i>County of Chautauqua Industrial Development Agency and Component Units</i>			
<i>Changes in Net Position from Operating Results (in thousands of Dollars)</i>			
	Total Government-wide		
	2023	2022	% Change
Revenue			
Application & administration fees	\$ 817	\$ 810	1%
Grant income	1,203	3,158	-62%
Economic development service agreements	2,693	636	323%
Rental income	106	233	-54%
Interest income	756	614	23%
Other income and gain (loss) on sale	1,240	505	146%
Total revenue	6,815	5,956	14%
Expenses			
General and administrative	3,154	2,633	20%
Grant expenses	627	571	10%
Bad debt expenses (recovery)	473	324	46%
Other expenses	99	137	-28%
Depreciation	45	85	-47%
Interest expense	45	48	-7%
Total expenses	4,443	3,798	17%
Pass-through transactions			
Revenues-PILOT	2,498	2,359	6%
Expenditures-PILOT	(2,498)	(2,359)	6%
	--	--	0%
Change in net position	\$ 2,372	\$ 2,158	

Figure A-5 Sources of Revenue

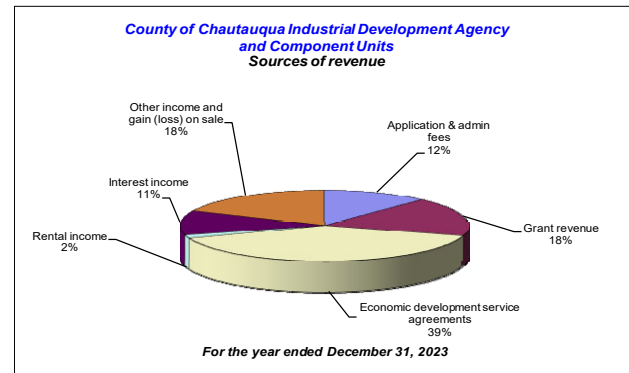
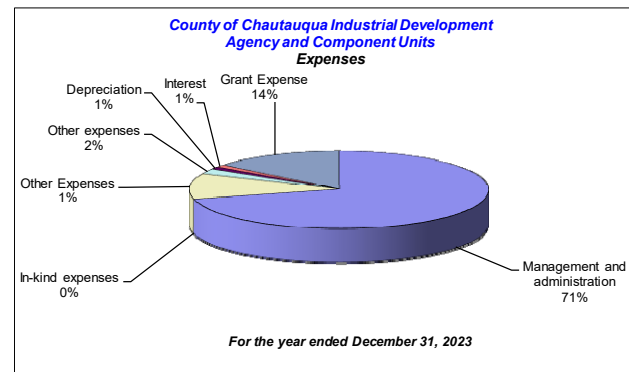


Figure A-6 - Expenses



V. Financial Analysis of the Agency Funds

Industrial Development Agency (IDA)

Net Position

During the current year, IDA fund total expenses exceeded total revenues by \$2,442,000. Total net position increased from \$3,157,000 to \$5,599,000.

Revenue

During the current year, total IDA fund revenue and other sources were \$4,680,000 as compared with \$2,039,000 during 2022. This increase in revenue was primarily due to a gain on forgiveness of debt related to the sale of Talcott Street property, along with an increase in economic development service agreement revenue from Chautauqua County related to development of the North County.

Expenses

During the current year, total IDA fund expenses were \$2,238,000 as compared with \$2,260,000 during 2022. This decrease was primarily the result of decreases grant expenses which were partially offset by an increase in professional fees.

**COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

**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 expenditures exceeded total revenues by approximately \$31,000 causing total net position to decrease from \$597,000 to \$566,000.

Revenue

During the current year, total revenue of the CRLF was \$17,000 as compared with \$18,000 during 2022. This decrease was primarily the result of a decrease in interest income.

Expenses

During the current year, total expenses of the CRLF were \$47,000 as compared with \$5,000 during 2022. This increase is related to bad debt expense increasing related to adjusting the allowance for bad debts.

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 \$157,000 causing total net position to increase from \$9,025,000 to \$9,182,000 as of December 31, 2023.

Revenue

During the current year, total revenue and other sources of AI-Tech Trust Fund was \$404,000 as compared with \$395,000 during the prior year. This increase was caused by an increase in interest revenue offset by a decrease 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 \$247,000, as compared with \$187,000 during the prior year. This increase primarily resulted from adjusting the bad debt reserve.

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 expenditures exceeded total revenues by approximately \$312,000 causing total net position to decrease from \$8,934,000 to \$8,622,000.

Revenue

During the current year, total revenue and other sources EDA CARES Fund was \$261,000 as compared to \$2,510,000 during 2022. This decrease is due to grant income related to the entire grant amount being received during the prior years.

Expenses

During the current year, total expenses of the EDA CARES Fund \$573,000 as compared to \$449,000 during 2022. This increase was related primarily to adjusting the allowance for bad debts.

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 revenues exceeded total expenditures by approximately \$116,000 causing total net position to increase from \$488,000 to \$548,000. In addition a prior period adjustment of \$56,000 was recorded decreasing the net position.

**COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2023**

**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 \$1,454,000 as compared with \$1,117,000 during 2022. This increase was primarily due to Partnership for Economic Growth grants recognized in revenue during the current year.

Expenses

During the current year, total expenses of CREDC were \$1,338,000 as compared with \$828,000 during 2022. This increase related to grant assistance passed through to local businesses in the Partnership for Economic Growth fund and increases in professional fees.

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

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 were no new Tax-Exempt Bonds and therefore no activity in the Corporation in 2023.

VI. Capital Asset and Debt Administration

Capital Assets

As depicted in Figure A-7, as of December 31, 2023, the Agency and its component unit had invested approximately in a broad range of capital assets, including industrial parks, buildings and furniture and equipment. There were \$7,487 capital additions made during the year ended December 31, 2023. The capital assets balance decreased due to the sale of the Talcott Street property.

Long-term Debt

As depicted in Figure A-8, as of December 31, 2023, the Agency and its component units had approximately \$2,534,000 in bonds, notes payable and other liabilities, a decrease of approximately \$2,240,000 as compared with the previous year. This decrease was primarily related to the debt associated with the Talcott Street property being paid and partially forgiven during the current year.

VI. Capital Asset and Debt Administration (continued)

Figure A-7 – Capital Assets

<i>County of Chautauqua Industrial Development Agency and Component Units Capital and Right of Use Assets (in thousands)</i>			
	2023	2022	Change
Buildings	\$ 253	\$ 2,069	-88%
SPEC Buildings	26	26	0%
Improvements	420	480	-13%
Equipment	129	129	0%
Right-of-use asset, net	682	772	-12%
Accumulated depreciation	(502)	(881)	43%
Capital and Right of Use Assets - net	\$ 1,008	\$ 2,595	-61%

Figure A-8 – Long-term Debt

<i>County of Chautauqua Industrial Development Agency and Component Units Long-term Debt (in thousands)</i>			
	2023	2022	Change
Bond - Stoneman Park SPEC Building	\$ 690	\$ 755	-9%
Bond - Chadwick Bay SPEC Building	966	1,056	-9%
Bond - Dunkirk Building	-	2,000	-100%
Other bonds	81	81	0%
Lease liability	797	882	-10%
Total long-term debt	\$ 2,534	\$ 4,774	-47%

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 CCIDA is aggressively seeking to acquire property or properties to create a new shovel-ready site or sites, and/or to expand and existing industrial park. The site or sites will be as close to being ready to construct on as possible, including having site control, undertaking due diligence, installing and/or stubbing in infrastructure, ensuring zoning is appropriate, etc. At present, the CCIDA/County is woefully deplete of shovel-ready sites, and is missing out on opportunities for new development that require large, strategically-located sites that are shovel-ready.

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, 2023

	CCIDA				CREDC	(Memo Only) Total Reporting Entity
	Industrial Development Agency	Chautauqua Revolving Loan Fund	AI- Tech Trust Fund	EDA CARES Fund		
Assets						
Current						
Cash and cash equivalents	\$ 7,351,025	\$ 303,830	\$ 1,691,143	\$ 1,294,130	\$ 1,004,046	\$ 11,644,174
Other receivables, current	650,968	--	--	--	125,000	775,968
Other current assets	--	--	--	--	2,583	2,583
Current portion, mortgage receivable	152,926	--	--	--	--	152,926
Current portion, notes receivable	--	40,009	992,564	1,189,445	210,323	2,432,341
Total current assets	8,154,919	343,839	2,683,707	2,483,575	1,341,952	15,007,992
Property, equipment and right-of-use assets, net	1,008,200	--	--	--	--	1,008,200
Other assets						
Other receivables, net of current portion	705,000	--	--	--	--	705,000
Notes receivable, net of current portion	--	288,182	8,360,125	7,970,026	1,089,398	17,707,731
Allowance for uncollectible notes receivable	--	(66,000)	(1,871,000)	(1,832,000)	(67,000)	(3,836,000)
Mortgage receivable, net of current portion	1,504,793	--	--	--	--	1,504,793
Security deposits and other assets	44,590	--	10,000	--	--	54,590
Real property held for resale	2,740,079	--	--	--	30,488	2,770,567
Total other assets	4,994,462	222,182	6,499,125	6,138,026	1,052,886	18,906,681
	\$ 14,157,581	\$ 566,021	\$ 9,182,832	\$ 8,621,601	\$ 2,394,838	\$ 34,922,873
Liabilities and Net Position						
Current liabilities						
Accounts payable	\$ 148,403	\$ --	\$ 323	\$ --	\$ 24,960	\$ 173,686
Accrued liabilities	70,387	--	--	--	3,641	74,028
Unearned revenue	5,806,313	--	--	--	1,817,765	7,624,078
Current portion of lease liabilities	89,044	--	--	--	--	89,044
Current portion of long-term debt	241,163	--	--	--	--	241,163
Total current liabilities	6,355,310	--	323	--	1,846,366	8,201,999
Lease liabilities, net of current portion	707,870	--	--	--	--	707,870
Long-term debt, net of current portion	1,495,792	--	--	--	--	1,495,792
Total liabilities	8,558,972	--	323	--	1,846,366	10,405,661
Net position						
Invested in capital assets, net of related receivables and debt	2,872,129	--	--	--	30,488	2,902,617
Restricted	--	566,021	9,182,509	8,621,601	--	18,370,131
Unrestricted	2,726,480	--	--	--	517,984	3,244,464
Total net position	5,598,609	566,021	9,182,509	8,621,601	548,472	24,517,212
	\$ 14,157,581	\$ 566,021	\$ 9,182,832	\$ 8,621,601	\$ 2,394,838	\$ 34,922,873

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

Year ended December 31, 2023

	CCIDA				(Memo Only)	
	Industrial Development Agency	Chautauqua Revolving Loan Fund	AI-Tech Trust Fund	EDA CARES Fund	CREDC	Total Reporting Entity
Revenue						
Application and administration fees	\$ 797,875	\$ --	\$ 8,880	\$ 10,000	\$ --	\$ 816,755
Grant income	--	--	--	--	1,202,959	1,202,959
Economic development service agreements	2,463,305	--	--	--	230,001	2,693,306
Rental income	106,337	--	--	--	--	106,337
Interest income	76,684	16,794	395,099	250,980	15,949	755,506
Other income	375,439	--	--	--	5,000	380,439
Total revenue	3,819,640	16,794	403,979	260,980	1,453,909	5,955,302
Expenditures						
General and administrative	1,998,308	3,523	207,504	117,186	827,449	3,153,970
Grant expenses	34,612	--	--	--	592,467	627,079
Consultants	51,441	--	--	--	--	51,441
Industrial Park expenses	47,397	--	--	--	--	47,397
Bad debt expense (recovery)	16,306	43,924	39,000	456,000	(82,000)	473,230
Depreciation	45,208	--	--	--	--	45,208
Total expenses	2,193,272	47,447	246,504	573,186	1,337,916	4,398,325
Excess (deficiency) of revenue over expenditures before financing sources and pass-throughs	1,626,368	(30,653)	157,475	(312,206)	115,993	1,556,977
Other financing sources (uses)						
Loss on sale of property	(118,423)	--	--	--	--	(118,423)
Gain on forgiveness of debt	978,284	--	--	--	--	978,284
Interest expense	(44,840)	--	--	--	--	(44,840)
	815,021	--	--	--	--	815,021
Pass-through transactions						
Revenue - PILOT	2,498,258	--	--	--	--	2,498,258
Expenditures - PILOT	(2,498,258)	--	--	--	--	(2,498,258)
	--	--	--	--	--	--
Excess (deficiency) of revenue and other sources over expenditures	2,441,389	(30,653)	157,475	(312,206)	115,993	2,371,998
Net position, beginning	3,157,220	596,674	9,025,034	8,933,807	488,479	22,201,214
Prior period adjustment	--	--	--	--	(56,000)	(56,000)
Net position, ending	\$ 5,598,609	\$ 566,021	\$ 9,182,509	\$ 8,621,601	\$ 548,472	\$ 24,517,212

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

Year ended December 31, 2023

	CCIDA				CREDC	(Memo Only) Total Reporting Entity
	Industrial Development Agency	Chautauqua Revolving Loan Fund	AI-Tech Trust Fund	EDA CARES Fund		
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash received from entities assisted	\$ 1,404,560	\$ --	\$ 8,880	\$ 10,000	\$ --	\$ 1,423,440
Grant income	--	--	--	--	1,310,827	1,310,827
Economic development service agreements	6,362,737	--	--	--	230,001	6,592,738
Rental income	106,337	--	--	--	--	106,337
Cash received on PILOT's	2,498,258	--	--	--	--	2,498,258
Cash paid to contractors	(1,393,279)	--	(10,303)	(9,482)	(586,723)	(1,999,787)
Interagency charges	364,786	(3,523)	(206,878)	(107,704)	(46,681)	--
Cash paid to employees	(518,278)	--	--	--	(281,189)	(799,467)
Cash payments on PILOT's	(2,498,258)	--	--	--	--	(2,498,258)
Cash paid for grants	(34,612)	--	--	--	(592,467)	(627,079)
Other receipts	10,653	--	--	--	5,000	15,653
Interest paid	(44,840)	--	--	--	--	(44,840)
Interest received	76,684	16,794	395,099	250,980	15,949	755,506
Net cash provided by operating activities	6,334,748	13,271	186,798	143,794	54,717	6,733,328
CASH FLOWS FROM INVESTING ACTIVITIES:						
Issuances of mortgages and notes receivable	--	--	(1,531,622)	(1,000,000)	(500,000)	(3,031,622)
Collections on mortgages and notes receivable	132,105	53,986	940,749	1,015,250	193,939	2,336,029
Proceeds from sale of properties	1,397,533	--	--	--	--	1,397,533
Purchase of land held for resale	(1,805,285)	--	--	--	--	(1,805,285)
Capital expenditures	(7,487)	--	--	--	--	(7,487)
Net cash provided by (used in) investing activities	(283,134)	53,986	(590,873)	15,250	(306,061)	(1,110,832)
CASH FLOWS FROM FINANCING ACTIVITIES:						
Principal payments on long-term debt	(1,496,724)	--	--	--	--	(1,496,724)
Net cash used in investing activities	(1,496,724)	--	--	--	--	(1,496,724)
Net change in cash	4,554,890	67,257	(404,075)	159,044	(251,344)	4,125,772
Cash and cash equivalents, beginning of year	2,796,135	236,573	2,095,218	1,135,086	1,255,390	7,518,402
Cash and cash equivalents, end of year	\$ 7,351,025	\$ 303,830	\$ 1,691,143	\$ 1,294,130	\$ 1,004,046	\$ 11,644,174
Reconciliation of change in net position to net cash provided by operating activities:						
Change in net position	\$ 2,441,389	\$ (30,653)	\$ 157,475	\$ (312,206)	\$ 115,993	\$ 2,371,998
Adjustments to reconcile change in net position to net cash provided by operating activities:						
Loss from sale of property	118,423	--	--	--	--	118,423
Gain on forgiveness of debt	(978,284)	--	--	--	--	(978,284)
Depreciation	45,208	--	--	--	--	45,208
Bad debt expense (recovery)	16,306	43,924	39,000	456,000	(82,000)	473,230
Change in operating assets and liabilities:						
Other receivable	569,185	--	--	--	(95,200)	473,985
Security deposits and other assets	71,367	--	(10,000)	--	(490)	60,877
Accounts payable	114,107	--	323	--	24,887	139,317
Accrued liabilities	(4,564)	--	--	--	3,434	(1,130)
Right-of-use asset and lease liability, net	4,679	--	--	--	--	4,679
Unearned revenue	3,936,932	--	--	--	88,093	4,025,025
Net cash provided by operating activities	\$ 6,334,748	\$ 13,271	\$ 186,798	\$ 143,794	\$ 54,717	\$ 6,733,328

COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY
STATEMENT OF FIDUCIARY NET POSITION

Year ended December 31, 2023

	Deferred Compensation Trust Fund	Defined Contribution Trust Fund
ASSETS		
Mutual funds	\$ 521,436	\$ 167,115
Total Investments	<u>521,436</u>	<u>167,115</u>
Total Assets	<u>\$ 521,436</u>	<u>\$ 167,115</u>
NET POSITION		
Restricted for:		
Deferred compensation	\$ 521,436	\$ --
Defined contribution	--	167,115
Total net position	<u>521,436</u>	<u>167,115</u>
Total Net Position	<u>\$ 521,436</u>	<u>\$ 167,115</u>

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

Year ended December 31, 2023

	Deferred Compensation Trust Fund	Defined Contribution Trust Fund
ADDITIONS		
Contributions:		
Members	\$ 65,535	\$ --
Employers	--	34,904
Total contributions	<u>65,535</u>	<u>34,904</u>
Investment Earnings		
Net increase in fair value of investments	<u>46,465</u>	<u>26,610</u>
Total investment earnings	<u>46,465</u>	<u>26,610</u>
Total additions	<u>112,000</u>	<u>61,514</u>
DEDUCTIONS		
Benefits paid to participants or beneficiaries	<u>--</u>	<u>23,295</u>
Total deductions	<u>--</u>	<u>23,295</u>
Net Change in fiduciary net position	112,000	38,219
Net Position-beginning of year	<u>409,436</u>	<u>128,896</u>
Net Position-ending of year	<u>\$ 521,436</u>	<u>\$ 167,115</u>

COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

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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, 2023

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, 2023, 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, 2023, does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of net position.

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 \$2,498,258 in 2023 for local municipalities.

COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

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	\$ 1,021,816
Current additions and improvements	1,805,285
Current disposals and sales	<u>(56,534)</u>
Total Real Property Held for Resale	<u>\$ 2,770,567</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).

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 2020 and later.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Income Tax Status (continued)

The Chautauqua Capital Resource Corporation (CCRC) 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 financial statements of CREDC are treated as a blended component unit and are included in this audit report for the year ended December 31, 2023.

COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

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 NFPC 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. CCCRC had no activity during the year ended December 31, 2023 and therefore are not presented in the financial statements.

NOTE 3 – OTHER RECEIVABLES

As of December 31, 2023, the Agency had an outstanding balance in other receivables of \$1,480,968. The majority of the balance consists of fees related to the Immunity Bio project (\$600,000 other receivables – see note 18), Cassadaga Wind Farm (\$200,000 other receivables – see note 17), and ElectroVaya project (\$280,000 other receivables – see note 18). Also in the other receivables balance were \$400,968 of receivables related to rents, administrative fees and grant receivables. As of December 31, 2023, CREDC had an outstanding balance in other receivables of \$125,000. The majority of the balance is related to grants receivable from the Ralph Wilson Foundation and Northern Chautauqua Community Foundation.

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following at December 31, 2023:

	2022				2023
	Balance	Additions	Deletions		Balance
IDA:					
Jamestown Airport Hanger	\$ 252,565	\$ --	\$ --		\$ 252,565
Furniture and equipment	128,691	--	--		128,691
Talcott Street property	1,816,115	7,487	(1,823,602)		--
West End Improvements	53,848	--	--		53,848
Other improvements	452,655	--	(59,708)		392,947
Right-of-use assets	861,925	--	--		861,925
	<u>3,565,799</u>	<u>7,487</u>	<u>(1,883,310)</u>		<u>1,689,976</u>
Less: accumulated depreciation and amortization	(970,516)	(135,148)	423,888		(681,776)
Total	<u>\$ 2,595,283</u>	<u>\$ (127,661)</u>	<u>\$ (1,459,422)</u>		<u>\$ 1,008,200</u>

COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

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NOTE 4 - PROPERTY AND EQUIPMENT (CONTINUED)

Depreciation expense relating to property and equipment was \$45,208 for CCIDA during the year ended December 31, 2023. Amortization expense relating to right-of-use assets was \$89,940 for CCIDA during the year ended December 31, 2023.

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 depreciated the asset. In 2023 the building was sold. A loss of \$118,423 was recorded related to the sale of the property. The proceeds were utilized to pay down the associated debt with the remaining portion of the debt being forgiven. See Note 23 for further discussion.

NOTE 5 - INDUSTRIAL PARK EXPENSES

These costs include North County 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 2022, CCIDA received \$95,000 of Brownfields Remediation money from Chautauqua County as the local share towards the creation of a Brownfields Revolving Loan Fund. The total loan fund awarded by the United States Environmental Agency was for a \$600,000 fund of which 20% was to be local funds (\$95,000 from Chautauqua County and \$25,000 from the CCIDA). During the year ended December 31, 2023, the Agency incurred expenditures relating to the grant of \$2,730. The remaining \$92,270 was recorded as unearned revenue.

During 2020, CCIDA received an economic development service agreement from Chautauqua County in the amount of \$200,000 related to the North County Industrial Park. During 2021, CCIDA received an additional \$130,000 from Chautauqua County related to the North County Industrial Park. During 2022, CCIDA received an additional \$1,500,000 from Chautauqua County related to the North County Industrial Park. During 2023, CCIDA received an additional \$3,700,000 from Chautauqua County in the related to the North County Industrial Park. Per the agreement, the funds are to be utilized to complete infrastructure upgrades. During the year ended December 31, 2023, the Agency incurred expenditures relating to the agreements of \$2,101,551. The remaining \$3,259,330 was recorded as unearned revenue.

NOTE 6 - UNEARNED REVENUE (CONTINUED)

During 2023, CCIDA received an economic development service agreement from Chautauqua County in the amount of \$2,500,000 related to Broadband Infrastructure improvements. Per the agreement, the funds are to be utilized to complete infrastructure upgrades. During the year ended December 31, 2023, the Agency incurred expenditures relating to the agreement of \$51,904. The remaining \$2,448,096 was recorded as unearned revenue.

During 2023, CCIDA received \$65,499 from Chautauqua County related to the Marketing Business Assistance. During the year ended December 31, 2023, CCIDA incurred expenditures relating to the agreement of \$58,882. The remaining \$6,617 was recorded as 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 2022, CREDC received \$367,000 from the New York State Office of Community Renewal that was passed through to Jamestown Advanced Products Corp. 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 2023, CREDC received \$400,000 from the New York State Office of Community Renewal that was passed through to Jamestown Container 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 the years ended December 31, 2023, 2022 and 2021, CREDC received \$350,000, \$350,000 and \$350,000, respectively, from the Ralph C. Wilson, Jr. Foundation to implement priority projects in alignment with Chautauqua County's economic development strategic plan. During the year ended December 31, 2023, CREDC incurred expenditures relating to the grant of \$404,035. The remaining \$374,182 was recorded as unearned revenue.

During 2022, CREDC received \$500,000 from Chautauqua County related to the Partnership for Economic Growth's Strategic Plan. During the year ended December 31, 2023, CREDC incurred expenditures relating to the agreement of \$181,642. The remaining \$204,912 was recorded as unearned revenue.

During 2022, CREDC received \$125,000 from Chautauqua County related to the upgrades of County trails. During the year ended December 31, 2023, CREDC incurred expenditures relating to the grant of \$4,440. The remaining \$3,084 was recorded as unearned revenue.

COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY
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NOTE 6 - UNEARNED REVENUE (CONTINUED)

During 2022, CREDC received \$200,000 from Chautauqua County related to special tourism and marketing programs. During the year ended December 31, 2023, CREDC incurred expenditures relating to the agreement of \$146,162. The remaining \$18,838 was recorded as unearned revenue.

During 2022, CREDC received \$31,216 related to Chadwick Bay Regional Commission. During year ended December 31, 2023, CREDC incurred expenditures relating to the grant of \$25,311. The remaining \$4,066 was recorded as unearned revenue.

During 2022, CREDC received \$56,000 related to Chadwick Bay Regional Commission. This amount was recorded as revenue as of December 31, 2022. A prior period adjustment was recorded to move these funds out of equity to unearned revenue to allow proper tracking of program progress. During the year ended December 31, 2023, CREDC incurred expenditures relating to the grant of \$43,201. The remaining \$12,799 was recorded as unearned revenue.

During 2023, CREDC received \$12,500 from Chautauqua Region Community Foundation for the Greenway project. During the year ended December 31, 2023, CREDC incurred expenditures relating to the grant of \$10,000. The remaining \$2,500 was recorded as unearned revenue.

During 2023, CREDC received \$50,000 from Ralph Sheldon Foundation for the Greenway project. As of December 31, 2023, no expenditures have been made and the amount has been recognized as an unearned revenue.

During 2023, CREDC received \$26,250 from Chautauqua County for the Greenway project. As of December 31, 2023, no expenditures have been made and the amount has been recognized as an unearned revenue.

During 2023, CREDC received \$20,000 from Gebbie Foundation for the Greenway project. As of December 31, 2023, no expenditures have been made and the amount has been recognized as an unearned revenue.

During 2023, CREDC set aside \$75,000 for grant matching related to the Market NY project. As of December 31, 2023, no expenditures have been made and the amount has been recognized as an unearned revenue.

During 2023, CREDC received \$60,000 from Chautauqua County related to Chadakoin River. During the year ended December 31, 2023, CREDC incurred expenditures relating to the agreement of \$866. The remaining \$59,134 was recorded as unearned revenue.

NOTE 7 - 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 8 – 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 \$941,286, as of December 31, 2023.

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 \$716,433, as of December 31, 2023.

COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
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NOTE 9 - NOTES RECEIVABLE

<u>Chautauqua Revolving Loan Fund</u>	<u>Balance as of 12/31/23</u>
Chautauqua County Commerce Park, LLC., 4% interest bearing note receivable, \$454 per month including interest through January 1, 2036.	\$ 52,190
Original Crunch Roll Factory, 4% interest bearing note receivable, \$888 per month including interest through December 1, 2024.	10,300
Original Crunch Roll Factory, 4% interest bearing note receivable, \$515 per month including interest through September 1, 2037.	69,580
Big Inlet Brewing, 4% interest bearing note receivable, \$828 per month including interest through October 1, 2028.	43,082
Kimbert Manufacturing, inc, 4% interest bearing note receivable, interest only through November 30, 2020 then \$759 per month including interest through August 1, 2030.	53,084
Beichner Waster, 4% interest bearing note receivable, \$683 per month including interest through April 1, 2027.	24,955
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.	<u>75,000</u>
Subtotal	328,191
Less: reserve	<u>(66,000)</u>
Subtotal	262,191
Less: current portion	<u>(40,009)</u>
Long-term portion - Chautauqua Revolving Loan Fund	<u>\$ 222,182</u>

<u>AI-Tech Trust Fund</u>	<u>Balance as of 12/31/23</u>
Chautauqua Utilities, 4% note receivable, \$1,339 interest only through March 1, 2021, then \$5,030 per month including principal, through March 1, 2029.	\$ 285,335
International Ordnance Technologies, Inc. 4% interest bearing note receivable, Entered into a forbearance agreement through June 1, 2017, then \$1,230 per month including interest through July 1, 2029.	73,758
Jamestown Mattress 4% interest bearing note receivable, \$3,029 per month including interest through February 1, 2025.	41,561
Yaw Oil Company, Inc., 4% interest bearing note receivable, \$3,151 per month including interest through November 1, 2024.	33,985
Chautauqua Hotel, 4% interest bearing note receivable, \$4,438 per month including interest through June 1, 2024.	26,320

NOTE 9 - NOTES RECEIVABLE (CONTINUED)

<u>AI-Tech Trust Fund (continued)</u>	<u>Balance as of 12/31/23</u>
Gren Ventures LLC, 4% interest bearing note receivable, \$4,068 per month including interest through December 1, 2028.	\$ 220,904
Scott's Peak 'n Peek, LLC, 4% interest bearing note receivable, \$2,806 per month including interest through April 1, 2034.	283,155
The Stannard Group, 4% interest bearing note receivable, \$4,556 per month including interest through August 1, 2024.	35,822
Erie Shore Holdings, LLC, 4% interest bearing note receivable, \$1,030 per month including interest through September 1, 2029.	62,818
Chautauqua County Commerce Park, LLC, 4% interest bearing note receivable, \$4,151 per month including interest through January 1, 2036.	476,671
GEI Inc., 4% interest bearing note receivable, \$1,842 per month including interest through December 1, 2024.	21,628
Chadwick Bay Marina, 4% interest bearing note receivable, \$2,145 per month including interest through January 1, 2032.	177,118
Chautauqua Woods, 4% interest bearing note receivable, \$1,230 per month including interest through February 1, 2025.	16,781
Original Crunch Roll Factory, 4% interest bearing note receivable, \$4,784 per month including interest through December 1, 2024.	55,462
Shults Real Estate, 4% interest bearing note receivable, \$3,030 per month including interest through December 1, 2037.	388,973
All Metal Press, 4% interest bearing note receivable, \$962 per month including interest through July 1, 2031.	75,372
The Tube Fabrication Co., 4% interest bearing note receivable, \$2,025 per month including interest through December 1, 2032.	592,810
200 Harrison Street, LLC, 4% interest bearing note receivable, \$2,424 per month including interest through June 1, 2037.	303,035
Bailey Manufacturing, 4% interest bearing note receivable, \$5,062 per month including interest through February 1, 2028.	228,678
Pier LLC, 4% interest bearing note receivable, \$1,598 per month including interest through February 1, 2033.	146,863
Big Inlet Brewing, Inc, 4% interest bearing note receivable, \$1,822 per month including interest through June 1, 2029.	106,978

COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

NOTE 9 - NOTES RECEIVABLE
(CONTINUED)

<u>AI-Tech Trust Fund (continued)</u>	<u>Balance as of 12/31/23</u>
Premier Precision Machining, LLC, 4% interest bearing note receivable, \$3,037 per month including interest through October 1, 2028.	\$ 159,942
AgriAmerica, LLC, 4% interest bearing note receivable, \$26,509 annually including interest in 2019 and \$32,589 thereafter through February 1, 2038.	360,355
HH Jamestown, LLC, 4% interest bearing note receivable, \$5,140 per month including interest through April 1, 2043.	829,563
Kimbert Manufacturing, Inc, 4% interest bearing note receivable, \$1,300 per month including interest through January 1, 2039.	175,987
Beichner Waste Services Inc, 4% interest bearing note receivable, \$1,367 per month including interest through April 1, 2027.	49,911
The Stannard Group, 4% interest bearing note receivable, interest only through May 1, 2024 then \$3,280 per month including interest through May 1, 2044.	984,000
Falcon Conveyor, 4% interest bearing note receivable, interest only through August 1, 2023 then \$933 per month including interest through June 1, 2043.	151,149
Cockaigne Development, LLC, 4% interest bearing note receivable, \$3,030 per month including interest through October 1, 2040.	444,084
Hy-Wit, 4% interest bearing note receivable, \$1,012 per month including interest through April 1, 2031.	77,107
MW Graphics, Inc., 4% interest bearing note receivable, \$607 per month including interest through January 1, 2033.	55,442
2 Portage LLC, 4% interest bearing note receivable, \$2,878 per month including interest through March 1, 2043.	463,188
Excelco Newbrok LLC, 4% interest bearing note receivable, \$9,208 per month including interest through January 1, 2028.	415,646
Landmark Restaurant, 4% interest bearing note receivable (loan awarded during 2023), \$2,350 per month including interest through February 1, 2033.	231,415
See-Zurh House, 4% interest bearing notes receivable (loans awarded during 2023), \$406 and \$404 per month including interest through August 1, 2030 and August 1, 2033, respectively.	243,038

NOTE 9 - NOTES RECEIVABLE (CONTINUED)

<u>AI-Tech Trust Fund (continued)</u>	<u>Balance as of 12/31/23</u>
Ghostfish Brewing, 4% interest bearing notes receivable (loans awarded during 2023), \$1,842 and \$901 per month including interest through March 1, 2028 and March 1, 2030, respectively.	\$ 145,932
Alchemy Farms, 4% interest bearing note receivable (loan awarded during 2023), \$2,435 per month including interest through May 1, 2030.	165,099
BP Endeavors, 4% interest bearing note receivable (loan awarded during 2023), \$1,000 per month including interest through October 1, 2033.	97,320
ZTS Development, 4% interest bearing note receivable (loan awarded during 2023), \$2,424 per month including interest through June 1, 2043.	393,402
Royal Fern Nursery, 4% interest bearing note receivable (loan awarded during 2023), \$638 per month including interest through November 1, 2033.	62,572
Bemus Point Inn, 4% interest bearing note receivable (loan awarded during 2023), \$2,412 per month including interest through June 1, 2028.	118,995
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>74,515</u>
Subtotal	9,352,689
Less: reserve	<u>(1,871,000)</u>
Subtotal	7,481,689
Less: current portion	<u>(992,564)</u>
Long-term portion - AI-Tech Trust Fund	<u>\$ 6,489,125</u>
As of December 31, 2023, the Agency had a commitment to issue notes to one company totaling approximately \$130,000.	
<u>EDA CARES Fund</u>	<u>Balance as of 12/31/23</u>
Webb's Candies, Inc and Webb's Motel, Inc., 2.44% interest bearing notes receivable, \$648 and \$331 per month including interest through January 1, 2028 and June 1, 2032, respectively.	\$ 60,649
The Original Crunch Roll., 2.44% interest bearing note receivable, \$972 per month including interest through January 1, 2028.	45,297
The Bilicki Law Firm, P.C., 2.44% interest bearing notes receivable, interest only through July 1, 2021, then \$1,214 and \$1,037 per month including interest through January 1, 2028 and July 1, 2029, respectively.	121,468

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

<u>EDA CARES Fund (continued)</u>	<u>Balance as of 12/31/23</u>
Excelco/Newbrook, Inc., 2.44% interest bearing note receivable, \$1,620 per month including interest through February 1, 2028.	\$ 76,959
Ark Wholesale, LLC., 2.44% interest bearing note receivable, \$2,211 per month including interest through July 1, 2026.	66,618
Shawbucks Inc., 2.44% interest bearing note receivable, \$1,593 per month including interest through May 1, 2028.	74,453
Ivory Acres Weddings, LLC, 2.44% interest bearing note receivable, \$454 per month including interest through January 1, 2028.	21,139
Cockaigne Development, LLC, 2.44% interest bearing note receivable, \$2,635 per month including interest through January 1, 2041.	441,359
Corvus Bus & Charter, Inc., 2.44% interest bearing note receivable, \$1,620 per month including interest through January 1, 2028.	75,495
Advanced Production Group LLC, 2.44% interest bearing notes receivable, \$1,620 and \$2,350 per month including interest through August 1, 2028 and September 1, 2031, respectively.	283,645
Merritt Estate Winery, Inc., 2.44% interest bearing notes receivable, \$531 and \$531 per month including interest through January 1, 2028 and July 1, 2029, respectively.	58,020
Falconer Hotel, LLC, 2.44% interest bearing notes receivable, \$648 and \$705 per month including interest through February 1, 2028 and February 1, 2031, respectively.	86,355
Pucci Carpet & Furniture, Inc., 2.44% interest bearing note receivable, \$1,620 per month including interest through February 1, 2028.	76,959
Luscombe Aircraft Corporation., 2.44% interest bearing notes receivable, \$1,731 and \$1,038, respectively, per month including interest through February 1, 2028 and December 1, 2041, respectively. This loan currently is in default.	297,583
Kimbert Mfg. Inc., 2.44% interest bearing note receivable, \$1,210 per month including interest through February 1, 2036.	152,672
International Ordinance Inc., 2.44% interest bearing notes receivable, \$1,199 and \$3,241, respectively, per month including interest through April 1, 2032 and October 1, 2031, respectively.	362,516

NOTE 9 - NOTES RECEIVABLE (CONTINUED)

<u>EDA CARES Fund (continued)</u>	<u>Balance as of 12/31/23</u>
Brigiotta's Farmland Produce and Garden Center, Inc., 2.44% interest bearing note receivable, \$1,620 per month including interest through February 1, 2028.	\$ 76,959
The Gerry Homes Inc., 2.44% interest bearing notes receivable, \$1,620, \$2,350 and \$1,296 per month including interest through February 1, 2028, February 1, 2031 and July 1, 2029, respectively.	343,313
Uhl Ventures, LLC, 2.44% interest bearing note receivable, \$443 per month including interest through March 1, 2026.	11,628
Webbs Harbor Restaurant and Bowling Lanes, Inc., 2.44% interest bearing note receivable, \$1,620 per month including interest through February 1, 2028.	76,959
Pace's Pizzeria, LLC., 2.44% interest bearing notes receivable, \$1,175, \$846, and \$162 per month including interest through March 1, 2031, July 1, 2031 and March 1, 2028, respectively.	173,064
Artone, LLC., 2.44% interest bearing notes receivable, \$3,473, \$1,620 and \$1,620 per month including interest through October 1, 2031, February 1, 2028 and July 1, 2029, respectively..	475,224
Lakeside Capital Corp., 2.44% interest bearing note receivable, \$981 per month including interest through December 1, 2026.	34,027
Jamestown's Rental Properties LLC, 2.44% interest bearing note receivable, \$1,296 per month including interest through September 1, 2028.	69,698
Lido's Crescent Inn Inc., 2.44% interest bearing note receivable, \$324 per month including interest through July 1, 2028.	16,847
Labyrinth Press, LLC., 2.44% interest bearing note receivable, \$1,296 per month including interest through July 1, 2029.	81,115
Ready About Sailing, Inc., 2.44% interest bearing notes receivable, 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. These loans entered a forbearance agreement through December 31, 2023.	226,384
Rocky's Family Karate and Fitness Inc., 2.44% interest bearing note receivable, \$324 per month including interest through July 1, 2028.	16,847

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

<u>EDA CARES Fund (continued)</u>	<u>Balance as of 12/31/23</u>
Scott's Peek'N Peak, LLC., 2.44% interest bearing notes receivable, \$1,675 and \$5,050 per month including interest through July 1, 2028 and July 1, 2037, respectively.	\$ 787,092
The Service Manufacturing Group, Inc., 2.44% interest bearing notes receivable, \$356 and \$282 per month including interest through February 1, 2029 and July 1, 2032, respectively.	47,467
Reg Lenna Center for the Arts, Inc., 2.44% interest bearing note receivable, interest only through August 1, 2022, \$1,777 per month including interest through December 1, 2028.	100,263
Cleaners of Chautauqua, Inc., 2.44% interest bearing note receivable, \$1,296 per month including interest through May 1, 2028.	65,066
The Kosciuszko Polish Home Association, Inc., 2.44% interest bearing note receivable, \$347 per month including interest through May 1, 2028.	17,414
The Maple Springs Lake Side Inn, Inc., 2.44% interest bearing notes receivable, \$648 and \$1,410 per month including interest through April 1, 2031 and April 1, 2028, respectively.	145,455
Lynn Development, Inc., 2.44% interest bearing note receivable, \$1,620 per month including interest through May 1, 2028.	81,332
Southern Tier Environments for Living, Inc., 2.44% interest bearing note receivable, \$1,620 per month including interest through August 1, 2028.	84,773
Fredonia Ford Inc., 2.44% interest bearing note receivable, \$3,689 per month including interest through May 1, 2041.	627,583
National Comedy Center, Inc., 2.44% interest bearing note receivable, \$1,731 per month including interest through May 1, 2028.	87,161
Falconer Power Sports, Inc., 2.44% interest bearing note receivable, \$1,620 per month including interest through May 1, 2028.	81,332
Blackstone Advanced Tech, 2.44% interest bearing note, \$4,446 per month including interest through April 1, 2032.	401,951
Lancaster LLC., 2.44% interest bearing note receivable, \$898 per month including interest through November 1, 2031.	69,030
Bailey Manufacturing, 2.44% interest bearing note receivable, \$6,078 per month including interest through February 1, 2032.	539,551

NOTE 9 - NOTES RECEIVABLE (CONTINUED)

<u>EDA CARES Fund (continued)</u>	<u>Balance as of 12/31/23</u>
Chautauqua County Chamber of NYSARC, 2.44% interest bearing note receivable, \$1,163 per month including interest through April 1, 2032.	\$ 105,151
James Turner Sales, 2.44% interest bearing note receivable, \$1,296 per month including interest through July 1, 2028.	67,387
Majestic Woods, LLC, 2.44% interest bearing notes receivable, \$389, \$483 and \$650 per month including interest through July 1, 2028, September 1, 2028 and December 1, 2028, respectively.	77,778
Meeder's Restaurant, Inc., 2.44% interest bearing note receivable, \$972 per month including interest through July 1, 2028.	50,540
Chautauqua Lake Self Storage, LLC., 2.44% interest bearing note receivable, \$2,371 per month including interest through November 1, 2041.	412,687
Birchman's Parisian, LLC., 2.44% interest bearing note receivable, \$519 per month including interest through September 1, 2028.	27,879
New Cinema Relations, 2.44% interest bearing note receivable, \$1,296 per month including interest through July 1, 2029.	81,115
Colecraft Commercial Furniture, 2.44% interest bearing note receivable, \$1,296 per month including interest through July 1, 2029.	81,115
Bemus Point Inn, 2.44% interest bearing note receivable \$3,469 per month including interest through July 1, 2029.	217,097
Webber Knapp, 2.44% interest bearing note receivable (loan awarded during 2023), \$10,125 per month including interest through December 1, 2033.	<u>1,000,000</u>
Subtotal	9,159,471
Less: reserve	<u>(1,832,000)</u>
Subtotal	7,327,471
Less: current portion	<u>(1,189,445)</u>
Long-term portion – EDA CARES	<u>\$ 6,138,026</u>

As of December 31, 2023, the Agency had a commitment to issue notes to one company totaling approximately \$300,000.

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

CREDC Economic Development Program Balance as of 12/31/23

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.	\$ 247,688
Jamestown Advance Products Corp., loan of \$734,000, if conditions of loan are met through September 1, 2025, \$367,000 of the loan will be forgiven.	589,065
Jamestown Container., loan of \$500,000, (loan awarded in 2023) if conditions of loan are met through September 1, 2025, \$400,000 of the loan will be forgiven.	<u>462,968</u>
Subtotal	1,299,721
Less: reserve	<u>(67,000)</u>
Subtotal	1,232,721
Less: current portion	<u>(210,323)</u>
Long-term portion – CREDC	<u>\$ 1,022,398</u>

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 Balance as of 12/31/23

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.	\$ 689,723
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 upon disposition of the acquired property.	81,371

NOTE 10 – LONG-TERM DEBT (CONTINUED)

Industrial Development Agency (continued)

Balance as of 12/31/23

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>965,861</u>
Subtotal	1,736,955
Less: current portion	<u>(241,163)</u>
Long-term debt – IDA	<u>\$ 1,495,792</u>

At December 31, 2023, debt service requirements are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
CCIDA			
2024	\$ 241,163	\$ 40,774	\$ 281,937
2025	163,967	36,599	200,566
2026	168,253	32,313	200,566
2027	172,654	27,912	200,566
2028	177,172	23,394	200,566
2029-2033	813,746	69,331	883,077
	<u>\$ 1,736,955</u>	<u>\$ 230,323</u>	<u>\$ 1,967,278</u>

CCIDA incurred interest expense in the amounts of \$44,840 during 2023.

NOTE 11 – RIGHT-OF-USE ASSETS AND OPERATING LEASE

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 option to extend was included in the measurement as it is likely that the agreement is extended.

As of December 31, 2023, the weighted average remaining lease term is 5.6 years and weighted average discount rate is 2%.

The maturities of lease liabilities as of December 31, 2023 were as follows:

2024	\$ 104,174
2025	106,257
2026	108,382
2027	110,550
2028	112,761
2029 and thereafter	<u>320,377</u>
Total undiscounted cash flows	862,501
Less: interest	<u>(65,587)</u>
Present value of lease liability	<u>\$ 796,914</u>

COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

NOTE 12 - 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 2023:

IDA	Receipts	Disbursements
Pilot Program		
Pilot payments collected from businesses and remitted to local governments	\$ 2,498,258	\$ 2,498,258

NOTE 13 – 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 \$34,904 for the year ended December 31, 2023. The balance in the 401 (a) plan as of December 31, 2023 was \$167,115 as presented in the Statement of Fiduciary Net Position.

NOTE 14 – 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 \$65,535 to the deferred compensation plan for the year ended December 31, 2023. The balance of the deferred compensation plan as of December 31, 2023 was \$521,436 as presented in the Statement of Fiduciary Net Position.

NOTE 15 - 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	\$ 3,523
CREDC	46,681
EDA CARES	107,704
AI-tech Loan Fund	206,878
	<u>\$ 364,786</u>

NOTE 16 - RESTRICTED NET POSITION

The amounts restricted as of December 31, 2023 include:

Chautauqua Revolving Loan Fund	
Revolving Loan funds	<u>\$ 566,021</u>
AI Tech Trust Fund	
AI Tech funds	<u>\$ 9,182,509</u>
EDA CARES Fund	
EDA CARES funds	<u>\$ 8,621,601</u>

NOTE 17 – CASSADAGA WIND FARM

During prior year, the Agency entered into a PILOT agreement with a company related to the construction of a windfarm. The agreement calls for administrative fees to be paid to CCIDA in the amounts of \$1,500,000 for the agreement over a period of eight years.

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:

	Cassadaga Windfarm
2024	<u>\$ 200,000</u>

NOTE 18 – PROJECTS

During 2017 and 2022, the Agency entered into agreements with Athenex, Inc, and Electrovaya Inc., respectively. Immunity Bio assumed the agreement of Athenex Inc.

Immunity Bio

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 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:

Electrovaya

The project included the purchase of existing facilities and occurred during 2022 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 \$300,000 during the year ended December 31, 2022. Below is a schedule of the remaining payments under the agreement:

COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2023

NOTE 18 – PROJECTS (CONTINUED)

	<u>Immunity Bio</u>	<u>Electrovaya</u>
2024	\$ 175,000	\$ 10,000
2025	175,000	10,000
2026	250,000	86,000
2027	--	87,000
2028	--	87,000
Total remaining payments	<u>\$ 600,000</u>	<u>280,000</u>

NOTE 19 – RENTAL INCOME

The CCIDA receives rental income from various entities related to the Talcott Street building (prior to sale) and its office building. Rental income amounted to \$106,338 for the year ended December 31, 2023. The Talcott Street property was sold during the current year. The other rental agreements are short term annual agreements which expired on December 31, 2023 and renewed in 2024.

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>
Property, equipment and right-of-use assets	\$ 1,008,200	\$ --
Real property held for resale	2,740,079	30,488
Mortgage receivable	1,657,719	--
Long-term debt and leases	<u>(2,533,869)</u>	<u>--</u>
Ending balance	<u>\$ 2,872,129</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, 2023 and 2022, CREDC recognized \$1,287,608 and \$704,544, respectively, of grant revenue and service agreements for the various projects.

NOTE 22 – 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, 2023 \$9,159,471 was loaned out to 52 different local businesses to assist with any hardships experienced due to the pandemic. The Agency reserved against approximately 20% of all loans outstanding as of December 31, 2023.

NOTE 23 – SALE OF TALCOTT STREET

The Agency sold the Talcott Street property in June 2023 for \$1,340,999. The associated assets had a net book value at the time of sale of \$1,457,422 and the Agency recognized a loss on the sale of the property of \$118,423. The Agency then utilized the proceeds to pay Chautauqua County on the related debt. The debt had a carrying amounts of \$2,000,000 of outstanding bond principle and \$319,283 of accrued interest. The balance remaining after payment of \$978,284 was forgiven by Chautauqua County and recognized as income in the Combined Statement or Revenue, Expenditures and Changes in Net Position.

NOTE 24 – PRIOR PERIOD ADJUSTMENT

During a review of grants during 2023 it was determined that \$56,000 of revenue was recognized during the year ended December 31, 2022 that should have been recorded as unearned revenue. These amounts were reclassified during 2023 resulting in a decrease in net position and an increase in unearned revenue.

NOTE 25 – SUBSEQUENT EVENTS

Subsequent events were evaluated through March 26, 2024, 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, 2023

	CCIDA				CREDC	(Memo Only) Total Reporting Entity
	Industrial Development Agency	Chautauqua Revolving Loan Fund	AI-Tech Trust Fund	EDA CAREs Fund		
Other Income						
Interagency charges	\$ 364,786	\$ --	\$ --	\$ --	\$ --	\$ 364,786
Other	10,653	--	--	--	5,000	15,653
Total other income	\$ 375,439	\$ --	\$ --	\$ --	\$ 5,000	\$ 380,439
General and Administrative Expenses						
Payroll and benefits	\$ 740,042	\$ --	\$ --	\$ --	\$ 281,189	\$ 1,021,231
Publicity and promotion	171,286	--	--	--	32,666	203,952
Rent	160,085	--	--	--	10,400	170,485
Insurance	8,430	--	--	8,889	240	17,559
Office and postage	20,712	--	--	143	19,298	40,153
Meeting expense	7,228	--	--	--	2,888	10,116
Professional fees	656,697	--	426	450	410,962	1,068,535
Interagency charges	--	3,523	206,878	107,704	46,681	364,786
Repairs and maintenance	--	--	--	--	2,660	2,660
Utilities	136,626	--	--	--	--	136,626
Dues and subscriptions	12,774	--	--	--	7,352	20,126
Miscellaneous	54,728	--	200	--	345	55,273
Travel and entertainment	19,713	--	--	--	12,768	32,481
Other	9,987	--	--	--	--	9,987
Total general and administrative	\$ 1,998,308	\$ 3,523	\$ 207,504	\$ 117,186	\$ 827,449	\$ 3,153,970

See accompanying independent auditor's report.

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

As of December 31, 2023

	Loan ID	Original Amount	Outstanding Principal	Date of Issuance	Date of Maturity	Interest Rate
<i>Tax-exempt bonds</i>						
County of Chautauqua Industrial Development Agency:						
Lutheran Social Services	0601-05-05B	\$ 5,500,000	\$ 1,007,489	2005	2026	Variable
JCC Foundation Inc.	0601-07-02A	\$ 3,345,000	\$ 950,000	2007	2027	Variable
Covenant Manor Apartments	0601-14-01	\$ 4,440,000	\$ 3,805,000	2014	2054	Variable
Chautauqua County Capital Resource Corporation:						
Jamestown Center City Development Co.	0601-13-01A	\$ 19,955,000	\$ 19,060,000	2021	2031	Variable
National Comedy Center	0601-13-01A	\$ 4,925,000	\$ 4,720,000	2021	2031	Variable
Lutheran Housing Administration Services Group Inc.	0601-17-02	\$ 6,300,000	\$ 4,840,000	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, 2023

	CREDC		
	Operating Fund	Partnership for Economic Growth (PEG)	(Memo Only) Total Reporting Entity
Assets			
Current			
Cash and cash equivalents	\$ 150,754	\$ 853,292	\$ 1,004,046
Other receivables	--	125,000	125,000
Other current assets	2,093	490	2,583
Current portion, notes receivable	210,323	--	210,323
Total current assets	363,170	978,782	1,341,952
Other assets			
Notes receivable, net of current portion	1,089,398	--	1,089,398
Allowance for uncollectible notes receivable	(67,000)	--	(67,000)
Real property held for resale	30,488	--	30,488
Total other assets	1,052,886	--	1,052,886
	\$ 1,416,056	\$ 978,782	\$ 2,394,838
Liabilities and Net Position			
Current liabilities			
Accounts payable	\$ 12,379	\$ 12,581	\$ 24,960
Accrued liability	--	3,641	3,641
Unearned revenue	967,000	850,765	1,817,765
Total current liabilities	979,379	866,987	1,846,366
Total liabilities	979,379	866,987	1,846,366
Net position			
Invested in capital assets, net of related debt	30,488	--	30,488
Unrestricted	406,189	111,795	517,984
Total net position	436,677	111,795	548,472
	\$ 1,416,056	\$ 978,782	\$ 2,394,838

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, 2023

	CREDC		
	Operating Fund	Partnership for Economic Growth (PEG)	(Memo Only) Total Reporting Entity
Revenue			
Interest income	\$ 15,949	\$ --	\$ 15,949
Grant income	145,352	1,057,607	1,202,959
Economic Development Service Agreement	--	230,001	230,001
Other income	5,000	--	5,000
Total revenue	166,301	1,287,608	1,453,909
Expenditures			
General and administrative	81,956	745,493	827,449
Grant expense	50,352	542,115	592,467
Bad debt expense (recovery)	(82,000)	--	(82,000)
Total expenses	50,308	1,287,608	1,337,916
Excess of revenue over expenditures	115,993	--	115,993
Net position, beginning	320,684	167,795	488,479
Prior period adjustment	--	(56,000)	(56,000)
Net position, ending	\$ 436,677	\$ 111,795	\$ 548,472

See accompanying independent auditor's report.

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

Schedule 5
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Year ended December 31, 2023

	CREDC		
	Operating Fund	Partnership for Economic Growth (PEG)	(Memo Only) Total Reporting Entity
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from grantors	\$ 660,327	\$ 650,500	\$ 1,310,827
Economic Development Service Agreements	--	230,001	230,001
Cash paid to contractors	(137,871)	(448,852)	(586,723)
Interagency charges	(46,681)	--	(46,681)
Cash paid to employees	--	(281,189)	(281,189)
Cash payments to grantees	(50,352)	(542,115)	(592,467)
Other receipts	5,000	--	5,000
Interest received	15,949	--	15,949
Net cash provided by (used in) operating activities	446,372	(391,655)	54,717
CASH FLOWS FROM INVESTING ACTIVITIES:			
Issuances of mortgages and notes receivable	(500,000)	--	(500,000)
Collections on notes receivable	193,939	--	193,939
Net cash used in investing activities	(306,061)	--	(306,061)
Net change in cash	140,311	(391,655)	(251,344)
Cash, beginning of year	10,443	1,244,947	1,255,390
Cash, end of year	\$ 150,754	\$ 853,292	\$ 1,004,046
Reconciliation of change in net position to net cash provided by operating activities:			
Change in net position	\$ 115,993	\$ --	\$ 115,993
Adjustments to reconcile change in net position to net cash provided by operating activities:			
Bad debt expense (recovery)	(82,000)	--	(82,000)
Change in operating assets and liabilities:			
Accounts receivable	--	(95,200)	(95,200)
Security deposits and other assets	--	(490)	(490)
Accounts payable	12,379	12,508	24,887
Accrued liabilities	--	3,434	3,434
Unearned revenue	400,000	(311,907)	88,093
Net cash provided by (used in) operating activities	\$ 446,372	\$ (391,655)	\$ 54,717

See accompanying independent auditor's report.

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

Year ended December 31, 2023

Grantor/Pass-through agency	Project Title	Federal CFDA Number	Project Number	Expenditures
U.S. Department of Commerce:				
Economic Development Administration	COVID-19 Economic Adjustment Assistance *	11.307	01-79-15014	\$ 11,026,787
Total U.S. Department of Commerce				<u>11,026,787</u>
U.S. Department of Housing and Urban Development (HUD) passed through NYS Office of Community Renewal:				
NYS Homes and Community Renewal	Community Development Block Grant **	14.218	366ED989-21	500,000
Total U.S. Department of HUD				<u>500,000</u>
Total Federal Awards				<u><u>\$ 11,526,787</u></u>

* Economic Development Cluster

** CDBG - Entitlement Grants Cluster

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, 2023 are calculated as follows:

Outstanding loans receivable as of December 31, 2023	\$ 9,159,471
Cash as of December 31, 2023	1,294,130
Administrative expenses for the year ended December 31, 2023	117,186
Loan losses for the year ended December 31, 2023	456,000
Total EDA RLF expenditures	<u><u>\$ 11,026,787</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, 2023, 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 26, 2024.

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 one instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and questioned costs as item II.B.2023-001.

Agency's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on **County of Chautauqua Industrial Development Agency's** response to the finding identified in our audit described in the accompanying schedule of findings and questioned costs. **County of Chautauqua Industrial Development Agency's** response was not subjected to other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on response.

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 26, 2024**

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, 2023. **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, 2023.

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** with the requirements of each major federal program as a whole.

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

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

- 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.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as item III.A 2023-002. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on **County of Chautauqua Industrial Development Agency's** response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. **County of Chautauqua Industrial Development Agency's** response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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 26, 2024**

**COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2023**

II. FINANCIAL STATEMENT AUDIT – FINDINGS

A. INTERNAL CONTROL OVER FINANCIAL REPORTING

Year ended December 31, 2023

There are no internal control over financial reporting findings reported upon during the year ended December 31, 2023.

B. COMPLIANCE AND OTHER MATTERS

Year ended December 31, 2023

COVID-19 Economic Adjustment Assistance (CFDA# 11.307)

2023-001 Activities Allowed – Uniform Guidance

Condition and Criteria: During the current year, the Agency awarded a loan from its Economic Development Loan Fund to a corporation for the purpose of acquiring stock from former owners. 13 CFR Section 307.17(c)(4) prohibits lending for such purpose unless sufficient justification as outlined in the Section is provided in the loan documentation.

Cause: The Agency failed to document the justification that it relied upon as an exception to the restriction to lend funds for the acquisition of stock.

Questioned Cost: The loan awarded was \$1 million.

Auditor's Recommendation: We recommend that the Agency's Board of Director's document the justification and approval for the exception to the Federal requirement related to stock acquisition.

Agency's Response: At its March 26th Meeting, the CCIDA Board approved an amendment to the Resolution 9-26-23-01 originally approved on September 26, 2023. The amendment includes new language that justifies the lending of funds for the acquisition of stock, which is an exception to 13 CFR Section 307.17(c)(4).

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

A. COMPLIANCE

Year ended December 31, 2023

2023-002 Activities Allowed – Uniform Guidance

Same finding as that described above as finding 2023-001.

B. INTERNAL CONTROLS OVER COMPLIANCE

Year ended December 31, 2023

There are no findings related to internal control over compliance are reported upon during the year ended December 31, 2023.

**COUNTY OF CHAUTAUQUA INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2023**

I. FINANCIAL STATEMENT AUDIT – FINDINGS

A. INTERNAL CONTROL OVER FINANCIAL REPORTING

Year ended December 31, 2022

There were no internal control over financial reporting findings reported upon during the year ended December 31, 2022.

B. COMPLIANCE AND OTHER MATTERS

Year ended December 31, 2022

There were no compliance and other matters findings reported upon during the year ended December 31, 2022.

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

A. COMPLIANCE

Year ended December 31, 2022

There were no instances of noncompliance reported upon during the year ended December 31, 2022.

B. INTERNAL CONTROLS OVER COMPLIANCE

Year ended December 31, 2022

There were no findings related to internal control over compliance reported upon during the year ended December 31, 2022.