COUNTY OF MONROE
INDUSTRIAL DEVELOPMENT AGENCY
A Discretely Presented Component Unit of the County of Monroe

ROCHESTER, NEW YORK

COMMUNICATING INTERNAL CONTROL RELATED MATTERS IDENTIFIED IN AN AUDIT

For Year Ended December 31, 2022

MMB+CO
BUSINESS ADVISORS AND CPAS

April 17, 2023

To the Board of Directors
County of Monroe Industrial
Development Agency
A Discretely Presented Component Unit of the County of Monroe
Rochester, New York

In planning and performing our audit of the financial statements of the County of Monroe Industrial Development Agency, A Discretely Presented Component Unit of the County of Monroe, Rochester, New York as of and for the year ended December 31, 2022, in accordance with auditing standards generally accepted in the United States of America, we considered the County of Monroe Industrial Development Agency's internal control over financial reporting (internal control) as a basis for designing 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 Monroe Industrial Development Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of County of Monroe Industrial Development Agency's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

Current Year Deficiencies in Internal Control:

There were no current year deficiencies.

Prior Year Recommendations:

There were no prior year recommendations.

This communication is intended solely for the information and use of management, the Executive Board, audit committee, and others within the organization and is not intended to be and should not be used by anyone other than these specified parties.

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We wish to express our appreciation to all client personnel for the courtesies extended to us during the course of our examination.

Mengel, Metzger, Barr & Co. LLP

Rochester, New York
April 17, 2023

COUNTY OF MONROE
INDUSTRIAL DEVELOPMENT AGENCY
A Discretely Presented Component Unit
of the County of Monroe

ROCHESTER, NEW YORK

BASIC FINANCIAL STATEMENTS

For Years Ended December 31, 2022 and 2021

MMB+CO

BUSINESS
ADVISORS
AND CPAS

T A B L E   O F   C O N T E N T S

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
County of Monroe Industrial
Development Agency
A Discretely Presented Component Unit of the County of Monroe
Rochester, New York

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the County of Monroe Industrial Development Agency (COMIDA), A Discretely Presented Component Unit of the County of Monroe, Rochester, New York as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise COMIDA's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of COMIDA as of December 31, 2022 and 2021, and the changes in its financial position 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 (GAAS) 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 COMIDA 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

The County of Monroe Industrial Development Agency, A Discretely Presented Component Unit of the County of Monroe, Rochester, New York's 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 COMIDA's ability to continue as a going concern for one year after the date that the financial statements are 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 opinion. 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 GAAS 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 GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of COMIDA'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 COMIDA'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, schedule of COMIDA's proportionate share of the net pension liability, and schedule of COMIDA contributions on pages 4–7 and 26–27 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 17, 2023 on our consideration of COMIDA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 COMIDA's internal control over financial reporting and compliance.

Mengel, Metzger, Barr & Co. LLP

Rochester, New York
April 17, 2023

County of Monroe Industrial Development Agency
A Discretely Presented Component Unit of the County of Monroe, Rochester, New York

Management's Discussion and Analysis (MD&A)

December 31, 2022

INTRODUCTION

Our discussion and analysis of the County of Monroe Industrial Development Agency (COMIDA), A Discretely Presented Component Unit of the County of Monroe, Rochester, New York 's financial performance provides an overview of COMIDA's financial activities for the year ended December 31, 2022. It should be read in conjunction with the basic financial statements to enhance understanding of COMIDA's financial performance, which immediately follows this section.

FINANCIAL HIGHLIGHTS

- COMIDA’s net position was $15,098,947 at the end of 2022 as compared to $8,846,165 at the end of 2021.
- COMIDA’s total operating revenues were $9,170,582 in 2022 as compared to $4,108,315, in 2021.
- COMIDA’s total expenses were $2,919,999 in 2022 as compared to $2,323,893 in 2021.
- COMIDA’s total nonoperating revenues were $2,199 in 2022 as compared to ($19,491) in 2021.
- COMIDA’s change in net position was $6,252,782 in 2022 as compared to $1,764,931 in 2021.

OVERVIEW OF FINANCIAL STATEMENTS

The statement of net position and the statement of revenue, expenses, and changes in net position report information about COMIDA as a whole and about its activities. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year’s revenue and expenses are taken into account regardless of when cash is received or paid.

These two statements report COMIDA’s net position and changes in net position from one year to the next. COMIDA’s net position, the difference between assets and liabilities, are one way to measure COMIDA’s financial position or health. Over time, increases or decreases in COMIDA’s net position is one indicator of whether its financial health is improving or deteriorating. Consideration should also be given to other factors, such as non-restricted current assets, and changes in COMIDA’s fee income and expenses to assess the overall health of COMIDA.

NOTES TO FINANCIAL STATEMENTS

The financial statements also include notes that explain the information in the financial statements. They are essential to a full understanding of the data provided in the financial statements.

SUMMARY AND ANALYSIS OF OPERATIONS AND CHANGES IN NET POSITION

The analysis below summarizes the statement of net position and changes in net position of COMIDA for the years ended December 31, 2022, 2021, and 2020.

Net Position

ASSETS	**2022**	**2021**	**2020**
Current Assets	$ 15,464,533	$ 9,244,114	$ 6,678,939
Non-Current Assets	719,469	625,000	625,000
Capital Assets	-	159	20,479
Total Assets	**$ 16,184,002**	**$ 9,869,273**	**$ 7,324,418**
DEFERRED OUTFLOWS OF RESOURCES	$ 242,304	$ 145,479	$ 126,813
LIABILITIES			
Current Liabilities	$ 985,898	$ 990,650	$ 186,396
Noncurrent Liabilities	-	557	170,258
Total Liabilities	**$ 985,898**	**$ 991,207**	**$ 356,654**
DEFERRED OUTFLOWS OF RESOURCES	$ 341,461	$ 177,380	$ 13,343
NET POSITION			
Net Investment in Capital Assets	$ -	$ 159	$ 20,479
Unrestricted-Operating	15,098,947	8,846,006	7,060,755
Total Net Position	**$ 15,098,947**	**$ 8,846,165**	**$ 7,081,234**

During 2022, current assets increased by $6,220,419 due primarily to an increase of fee income of approximately $4,967,000.

During 2022, current liabilities remained constant with 2021. Accrued expenses increased by approximately $204,000 primarily due to accruals totaling approximately $288,000 for activity relating to the new workforce development modernization plan. Unearned revenue decreased by approximately $168,000 due mostly to the absence of deferred fee income for 2022.

During 2021, current assets increased $2,565,175 due primarily to an increase of fee income of approximately $2,676,000.

During 2021, current liabilities increased $804,254 due primarily to accruals to Monroe County of approximately $532,000 for the comprehensive plan and the annual County contract, accruals of approximately $169,000 for Q4 and December MPower program expenses and deferred fee income of approximately $164,000.

Changes in Net Position

	2022	2021	2020
Revenues:			
Fee Income	$ 8,842,994	$ 3,875,877	$ 1,199,983
PTAC Income	318,388	232,438	215,278
Contract Reimbursement Income	-	-	38,080
Interest Income	2,199	509	1,883
Miscellaneous Income	9,200	-	-
Total Revenues	**$ 9,172,781**	**$ 4,108,824**	**$ 1,455,224**
Expenses:			
Program & Community Development	$ 1,894,347	$ 1,398,103	$ 2,257,322
Salaries	394,163	380,853	367,933
Professional Services	402,438	316,414	308,816
Payroll Taxes & Employee Benefits	101,866	99,983	117,215
Rent	58,875	58,875	58,875
Travel, Meetings & Entertainment	9,525	12,090	5,501
Office Supplies & Postage	21,045	9,937	8,321
Advertising & Promotion	4,382	6,707	9,590
Dues & Subscriptions	9,515	18,218	11,917
Staff Development	19,916	15,487	8,299
Depreciation	159	320	5,320
Loss on Disposal of Asset	-	20,000	-
Other	3,768	6,906	4,137
Total Expenses	**$ 2,919,999**	**$ 2,343,893**	**$ 3,163,246**
Change in Net Position	**$ 6,252,782**	**$ 1,764,931**	**$ (1,708,022)**
Net Position - Beginning of Year	8,846,165	7,081,234	8,789,256
Net Position - End of Year	**$ 15,098,947**	**$ 8,846,165**	**$ 7,081,234**

During 2022, total revenue increased by $5,063,957. The main reason for this increase is due to general increases in fee income due to some large projects. Total expenses increased by $576,106 due mostly to expenses incurred for new program and community development program expenses including the workforce development modernization plan totaling approximately $506,000 and increased professional fees including legal fees, compliance fees and PTAC expenses totaling approximately $86,000.

During 2021, total revenue increased $2,653,600. The main reason for this increase is due to general increases in fee income. Total expenses decreased by $819,353 due mostly to the $1,000,000 support fee to Monroe County Industrial Development Corporation in 2020 that was not incurred in 2021.

Future Factors

COMIDA relies extensively upon project fees and bond fees to generate the majority of its annual revenue. As a result of uncertain economic conditions, COMIDA's ability to generate fees to support the operations may be impacted in the future.

Requests for Information

This financial report is designed to provide a general overview of the County of Monroe Industrial Development Agency's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

County of Monroe Industrial Development Agency
A Discretely Presented Component Unit
of the County of Monroe
City Place, Suite 1150
50 West Main Street
Rochester, New York 14614

Statement 1

COUNTY OF MONROE INDUSTRIAL DEVELOPMENT AGENCY
A Discretely Presented Component Unit of the County of Monroe, Rochester, New York

STATEMENT OF NET POSITION

December 31, 2022 and 2021

	2022	2021
ASSETS:		
Current Assets -		
Cash and cash equivalents	$ 15,316,560	$ 9,017,934
Fee income receivable	-	157,799
PTAC receivable	63,883	42,656
Accounts receivable	18,314	9,857
Prepaid expenses	65,776	15,868
Total Current Assets	$ 15,464,533	$ 9,244,114
Noncurrent Assets -		
Assets held for sale	$ 625,000	$ 625,000
Net pension asset	94,469	-
Total Noncurrent Assets	$ 719,469	$ 625,000
Capital Assets -		
Equipment	$ 36,732	$ 36,732
Accumulated depreciation	(36,732)	(36,573)
Total Capital Assets	$ -	$ 159
TOTAL ASSETS	**$ 16,184,002**	**$ 9,869,273**
DEFERRED OUTFLOW OF RESOURCES:	**$ 242,304**	**$ 145,479**
LIABILITIES:		
Current Liabilities -		
Accounts payable	$ 17,878	$ 58,329
Accrued expenses	952,011	747,939
Unearned revenue	16,009	184,382
Total Current Liabilities	$ 985,898	$ 990,650
Noncurrent Liabilities -		
Net pension liability	$ -	$ 557
TOTAL LIABILITIES	**$ 985,898**	**$ 991,207**
DEFERRED INFLOW OF RESOURCES:	**$ 341,461**	**$ 177,380**
NET POSITION:		
Net investment in capital assets	$ -	$ 159
Unrestricted - Operating	15,098,947	8,846,006
TOTAL NET POSITION	**$ 15,098,947**	**$ 8,846,165**

(The accompanying notes are an integral part of the financial statements)

Statement 2

COUNTY OF MONROE INDUSTRIAL DEVELOPMENT AGENCY
A Discretely Presented Component Unit of the County of Monroe, Rochester, New York

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

For Years Ended December 31, 2022 and 2021

	2022	2021
OPERATING REVENUES:		
Fee income	$ 8,842,994	$ 3,875,877
PTAC income	318,388	232,438
Miscellaneous income	9,200	-
TOTAL OPERATING REVENUES	$ 9,170,582	$ 4,108,315
EXPENSES:		
Program and Community Development Expenses -		
Community development	$ 1,429,222	$ 932,978
Community development - Greater Rochester Enterprise, Inc.	50,000	50,000
Program support	415,125	415,125
Total Program and Community Development Expenses	$ 1,894,347	$ 1,398,103
Operating Expenses -		
Salaries	$ 394,163	$ 380,853
Professional services	402,438	316,414
Payroll taxes and employee benefits	101,866	99,983
Rent	58,875	58,875
Travel, meetings and entertainment	9,525	12,090
Office supplies and postage	21,045	9,937
Advertising and promotion	4,382	6,707
Dues and subscriptions	9,515	18,218
Staff development	19,916	15,487
Depreciation	159	320
Other	3,768	6,906
Total Operating Expenses	$ 1,025,652	$ 925,790
TOTAL EXPENSES	$ 2,919,999	$ 2,323,893
OPERATING INCOME	$ 6,250,583	$ 1,784,422
NONOPERATING REVENUES (EXPENSES):		
Gain (loss) on disposal of fixed assets	$ -	$ (20,000)
Interest income	2,199	509
TOTAL NONOPERATING REVENUES	$ 2,199	$ (19,491)
CHANGE IN NET POSITION	$ 6,252,782	$ 1,764,931
NET POSITION - BEGINNING OF YEAR	8,846,165	7,081,234
NET POSITION - END OF YEAR	**$ 15,098,947**	**$ 8,846,165**

(The accompanying notes are an integral part of the financial statements)

Statement 3

COUNTY OF MONROE INDUSTRIAL DEVELOPMENT AGENCY
A Discretely Presented Component Unit of the County of Monroe, Rochester, New York

STATEMENT OF CASH FLOWS

For Years Ended December 31, 2022 and 2021

	2022	2021
Cash Flows From Operating Activities:		
Cash received from customers	$ 9,130,831	$ 4,060,093
Cash paid to employees for services	(535,187)	(493,480)
Cash paid to suppliers for goods and services	(404,363)	252,862
Cash paid for program and community development	(1,894,347)	(1,398,103)
Net Cash Provided by Operating Activities	$ 6,296,934	$ 2,421,372
Cash Flows From Non - Capital Financing Activities:		
Cash received from (paid to) contract reimbursement	$ (507)	$ 36,686
Net Cash Provided By Non-Capital Financing Activities	**$ (507)**	**$ 36,686**
Cash Flows From Investing Activities:		
Interest income	$ 2,199	$ 509
Net Cash Provided By (Used In) Investing Activities	$ 2,199	$ 509
Net (Decrease) Increase in Cash	$ 6,298,626	$ 2,458,567
Cash and Cash Equivalents - Beginning of Year	9,017,934	6,559,367
Cash and Cash Equivalents - End of Year	**$ 15,316,560**	**$ 9,017,934**
Reconciliation of Change in Net Position to Net Cash Used by Operating Activities		
Change in net position	$ 6,250,583	$ 1,784,422
Adjustments to reconcile Change in Net Position to Net Cash Used by Operations:		
Depreciation	$ 159	$ 320
Change in assets and liabilities -		
Deferred inflows and outflows of resources	67,256	145,371
Fee income receivable	157,799	(157,799)
PTAC receivable	(21,227)	(7,262)
Accounts receivable	(7,950)	-
Prepaid expense	(49,908)	21,767
Accounts payable	(40,451)	(45,922)
Accrued expenses	204,072	733,337
Unearned revenue	(168,373)	116,839
Net pension asset/ liability	(95,026)	(169,701)
Total Adjustments to reconcile Change in Net Position to Net Cash Used by Operations	$ 46,351	$ 636,950
Net Cash (Used) Provided by Operating Activities	**$ 6,296,934**	**$ 2,421,372**
NON-CASH TRANSACTIONS:		
Loss on disposal of intangible asset	$ -	$ 20,000

(The accompanying notes are an integral part of the financial statements)

I. Summary of Significant Accounting Policies:

A. Basis of Accounting

The financial statements of the County of Monroe Industrial Development Agency (COMIDA), A Discretely Presented Component Unit of the County of Monroe, Rochester, New York, have been prepared in conformity with generally accepted accounting principles (GAAP) in the United States as set forth by Governmental Accounting Standards Board (GASB) for proprietary funds. The more significant of the government's accounting policies are described below.

B. Financial Reporting Entity

1. Primary Government

On June 6, 1972, COMIDA, was established by a special act of the County Legislature under the New York State Industrial Development Act of 1969. In 2017, COMIDA underwent a rebranding campaign and began operating under the name COMIDA. COMIDA's purpose is to provide, develop, encourage, and assist existing and new businesses to acquire, construct, reconstruct, improve, maintain, equip, and furnish facilities in the County of Monroe and Rochester, New York area.

COMIDA is a discretely presented component unit of the County of Monroe, Rochester, New York (County of Monroe) and is a New York State not-for-profit public benefit corporation.

2. Related Entities

COMIDA is related through common managerial and operational personnel with Monroe County Industrial Development Corporation which is also involved in promoting economic development in the County of Monroe. COMIDA also works together with other organizations related to the County of Monroe to promote economic development.

C. Basis of Presentation

GASB requires the reporting of net position into three classifications defined as follows:

1. **Net investment in capital assets** – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowing that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

2. **Restricted net position**- This component of net position consists of amounts which have external constraints placed on their use imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. At December 31, 2022 and 2021, COMIDA does not have restricted net position.

3. **Unrestricted net position** – This component of net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted".

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

D. Nature of Activities

COMIDA administers programs that assist local businesses in obtaining long-term financing for property and equipment. This is accomplished through two types of transactions, a lease-leaseback or issuance of an industrial development bond. COMIDA also funds various community development activities, which provide economic benefits for the County of Monroe.

1. Lease-Leaseback

In a lease-leaseback transaction, the lessee (local business) negotiates the terms and conditions of a financing arrangement with a bank or other commercial lender. COMIDA obtains title to, possession, and/or control of the property financed and enters into a lease agreement with the lessee for a term equal to the lesser of the term of the financing or the benefit period. The rent from the lease includes debt service payments to the lender and is paid directly by the lessee to the lender.

2. Industrial Development Bonds

The transaction for a bond issue is similar to a lease-leaseback except that COMIDA issues tax-exempt or taxable bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers back to the private-sector entity served by the bond issuance. COMIDA is not obligated in any manner for repayment of the bonds at any time. Accordingly, related property is not reported as assets, and the bonds are not reported as liabilities in the accompanying financial statements.

The terms of these transactions generally provide for reductions in property taxes paid by recipients of the financing in return for commitments to provide jobs and other economic benefits for the County of Monroe.

As of December 31, 2022, there were 20 series of Industrial Development Bonds outstanding with an approximate aggregate amount payable of approximately $628 million.

E. Cash and Cash Equivalents

Cash includes cash on hand, demand deposits, money market funds, and savings accounts.

F. Accounts Receivable

Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. Generally accepted accounting principles require the allowance method be used to recognize bad debts; however, the effect of using the direct write-off method is not materially different from the results that would have been obtained under the allowance method. Amounts for which no payments have been received for several months are considered delinquent and when customary collection efforts are exhausted, the amount is written-off.

(I.) (Continued)

G. Assets Held for Sale

Assets held for sale is made up of assets purchased with the intention to sell in a future period. Assets held for sale are not capitalized as they will not be used by COMIDA for purposes other than to sell to another entity.

H. Capital Assets

Assets purchased or acquired with a useful life exceeding one year and an original cost in excess of $1,500 are capitalized. Donated capital assets are recorded at fair value at the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs for repairs and maintenance are expensed as incurred. COMIDA depreciates assets on the straight-line basis over estimated useful lives ranging from 3 to 10 years.

I. Deferred Outflows and Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expenses/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

J. Compensated Absences/Accrued Liabilities

Pursuant to resolutions of COMIDA's Board, COMIDA employees are entitled to accrue a limited number of days of unused sick and vacation time. Accrued sick and vacation time is based on the number of years of employment with COMIDA. An individual who leaves the employment of COMIDA may be paid for unused vacation time earned but not sick time. Unused vacation time is recorded as a liability when earned.

K. Revenue Recognition

Operating revenue consists of revenue from fees earned on transactions. For the various tax abatement programs, which provide tax incentives to businesses, the fees are: (i) .50% of total project costs for sales tax exemption and/or mortgage recording tax exemption; (ii) .75% of total project costs for real property tax abatement, sales tax exemption and mortgage recording tax exemption and (iii) 1.25% for taxable or tax-exempt bond issuances. Fee income is recorded as revenue when the transaction closes, regardless of when the related cash is received by COMIDA. For projects that receive the sales tax exemption in advance of closing, 25% of the total fee due is paid to COMIDA by the project applicant and is recognized as revenue when the sales tax exemption is issued. COMIDA defines non-operating revenue as interest earnings and other items not directly related to providing economic development directly to a beneficiary.

L. Program and Community Development Expenses

Program and community development expenses represent amounts committed to fund program and community development projects as determined by the Board. Program and community development expenses are recognized when paid; Board determinations, when made, are merely budgetary in nature and therefore are not enforceable. Actual payments are based on COMIDA operating results.

(I.) (Continued)

M. Income Taxes

COMIDA is a not-for-profit public benefit corporation and is exempt from income taxes under the Internal Revenue Code.

COMIDA is exempt from Federal reporting requirements under Internal Revenue Service Revenue Procedure 98-48, 1992 C.B. 418 as a governmental unit or affiliate of a governmental unit as described in the procedure.

N. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

O. New Accounting Standards

COMIDA has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At December 31, 2022, COMIDA implemented the following new standards issued by GASB:

GASB has issued Statement 87 *Leases*.

GASB has issued Statement 91 *Conduit Debt Obligations*.

GASB has issued Statement 92 *Omnibus 2020 Paragraphs 6, 7, 8, 9, 10, 12*.

GASB has issued Statement 93 *Replacement of Interbank Offered Rates Paragraphs 11b, 13 and 14*.

GASB has issued Statement 97 *Certain Component Unit Criteria and Accounting and Financial Report for Internal Revenue Code Section 457 Deferred Compensation Plans*.

P. Future Changes in Accounting Standards

GASB has issued Statement 94 *Public-Private and Public-Public Partnerships and Available Payment Arrangements*, which will be effective for reporting periods beginning after June 15, 2022.

GASB has issued Statement 96 *Subscription Based Information Technology*, which will be effective for reporting periods beginning after December June 15, 2022.

GASB has issued Statement 99 *Omnibus 2022-Leases, PPP, and SPITAS*, which will be effective for reporting periods beginning after June 15, 2022.

GASB has issued Statement 99 *Omnibus 2022-Financial Guarantees, etc.*, which will be effective for reporting periods beginning after June 15, 2023.

(I.) (Continued)

GASB has issued Statement 100 *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*, which will be effective for reporting periods beginning after June 15, 2023.

GASB has issued Statement 101, *Compensated Absences*, which will be effective for reporting periods beginning after December 15, 2023.

COMIDA is currently studying these statements and plans on adoption as required.

II. Deposits with Financial Institutions and Investments:

A. Policies

COMIDA follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conform with federal, state, and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of the Executive Director.

COMIDA monies must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within and authorized to do business in New York State. Collateral is required for deposits and certificates of deposit not covered by FDIC insurance.

B. Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. COMIDA has an investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

C. Credit Risk

COMIDA's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. COMIDA's investment and deposit policy authorizes the reporting entity to purchase the following types of investments.

1. Obligations of the United States of America;
2. Obligations where payment of principal and interest are guaranteed by the United States of America;
3. Obligations of the State of New York;
4. Special time deposit accounts;
5. Certificates of deposit

D. Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with COMIDA's investment and deposit policy, all deposits of COMIDA including certificates of deposit and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act (FDIA) shall be secured in the following manner:

1. Pledge of eligible securities with an aggregate market value equal to the aggregate amount of deposits;

2. Eligible irrevocable letter of credit issued by a qualified bank other than the bank with the deposits in favor of the government for a term not to exceed 90 days with an aggregate value equal to 140% of the aggregate amount of deposits and the agreed upon interest, if any;

3. Eligible surety bond payable to the government for an amount of at least equal to 100% of the aggregate amount of deposits and the agreed upon interest, if any, executed by an insurance company authorized to do business in New York State, whose claims-paying ability is rated in the highest rating category by at least two nationally recognized statistical rating organizations.

E. <u>Cash</u>

At December 31, 2022 and 2021, COMIDA's cash was covered by FDIC insurance, or by eligible securities held in COMIDA's name by a third-party custodial bank or by the bank's trust department. COMIDA's deposits consisted of the following at December 31:

	2022	
	Bank Balance	**Carrying Amount**
Demand deposits	$ 13,328,635	$ 13,328,685
Time deposits	1,987,875	1,987,875
Total	$ 15,316,510	$ 15,316,560

	2021	
	Bank Balance	**Carrying Amount**
Demand deposits	$ 7,032,207	$ 7,032,257
Time deposits	1,985,677	1,985,677
Total	$ 9,017,884	$ 9,017,934

These deposits were insured or collateralized as follows:

	2022	**2021**
FDIC insurance	$ 500,000	$ 500,000
Collateralized by third-party	14,816,510	8,517,885
Total	$ 15,316,510	$ 9,017,885

III. Capital Assets:

Capital asset activity for the year ended December 31, 2022 was as follows:

Type	Balance 01/01/22	Additions	Deletions	Balance 12/31/22
Capital assets being depreciated:				
Office equipment	$ 26,825	$ -	$ -	$ 26,825
Furniture and fixtures	9,908	-	-	9,908
Total capital assets being depreciated	$ 36,733	$ -	$ -	$ 36,733
Less accumulated depreciation for:				
Office equipment	$ (26,825)	$ -	$ -	$ (26,825)
Furniture and fixtures	(9,749)	(159)	-	(9,908)
Total accumulated depreciation	$ (36,574)	$ (159)	$ -	$ (36,733)
Capital assets, net	**$ 159**	**$ (159)**	**$ -**	**$ -**

The depreciation expense was $159 for the December 31, 2022 year.

Capital asset activity for the year ended December 31, 2021 was as follows:

Type	Balance 01/01/21	Additions	Deletions	Balance 12/31/21
Capital assets being depreciated:				
Office equipment	$ 26,825	$ -	$ -	$ 26,825
Furniture and fixtures	9,908	-	-	9,908
Software	25,000	-	(25,000)	-
Total capital assets being depreciated	$ 61,733	$ -	$ (25,000)	$ 36,733
Less accumulated depreciation for:				
Office equipment	$ (26,825)	$ -	$ -	$ (26,825)
Furniture and fixtures	(9,429)	(320)	-	(9,749)
Software	(5,000)	-	5,000	-
Total accumulated depreciation	$ (41,254)	$ (320)	$ 5,000	$ (36,574)
Capital assets, net	**$ 20,479**	**$ (320)**	**$ (20,000)**	**$ 159**

The depreciation expense was $320 for the December 31, 2021 year.

IV. Assets Held for Resale

On January 30, 2015 COMIDA purchased 130.29 acres of land from Monroe County for $1,369,000. The purchase amount was the appraised value of the land at September 29, 2014 as a result of a third party appraisal. COMIDA purchased this land with the intent to redevelop the property to maximize its positive attributes in order to sell the property. As of December 31, 2022 and 2021, COMIDA owns 52.02 acres of land valued at $625,000.

V. **General Information and Pension Plans**:

A. **General Information About Pension Plan**

1. **Plan Description**

COMIDA participates in the New York State Local Employees' Retirement System (ERS). This is a cost sharing multiple employer defined benefit retirement system. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in fiduciary net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. COMIDA also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, New York 12244.

2. **Benefits Provided**

The System provides retirement benefits as well as death and disability benefits.

Tier 1 and 2

Eligibility: Tier 1 members, with the exception of those retiring under special retirement plans, must be at least age 55 to be eligible to collect a retirement benefit. There is no minimum service requirement for Tier 1 members. Tier 2 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. The age at which full benefits may be collected for Tier 1 is 55, and the full benefit age for Tier 2 is 62.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If the member retires with 20 or more years of service, the benefit is 2 percent of final average salary for each year of service. Tier 2 members with five or more years of service can retire as early as age 55 with reduced benefits. Tier 2 members age 55 or older with 30 or more years of service can retire with no reduction in benefits. As a result of Article 19 of the RSSL, Tier 1 and Tier 2 members who worked continuously from April 1, 1999 through October 1, 2000 received an additional month of service credit for each year of credited service they have at retirement, up to a maximum of 24 additional months.

Final average salary is the average of the wages earned in the three highest consecutive years. For Tier 1 members who joined on or after June 17, 1971, each year of final average salary is limited to no more than 20 percent of the previous year. For Tier 2 members, each year of final average salary is limited to no more than 20 percent of the average of the previous two years.

Tier 3, 4, 5

Eligibility: Tier 3 and 4 members, with the exception of those retiring under special retirement plans, must have five years of service and be at least age 55 to be eligible to collect a retirement benefit. Tier 5 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age for Tiers 3, 4, and 5 is 62.

(V.) (Continued)

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with between 20 and 30 years of service, the benefit is 2 percent of final average salary for each year of service. If a member retires with more than 30 years of service, an additional benefit of 1.5 percent of final average salary is applied for each year of service over 30 years. Tier 3 and 4 members with five or more years of service and Tier 5 members with ten or more years of service can retire as early as age 55 with reduced benefits. Tier 3 and 4 members age 55 or older with 30 or more years of service can retire with no reduction in benefits.

Final average salary is the average of wages earned in the three highest consecutive years. For Tier 3, 4, and 5 members, each year of final average salary is limited to no more than 10 percent of the average of the previous two years.

Tier 6

Eligibility: Tier 6 members, with the exception of those retiring under special retirement plans, must have ten years of service and be at least age 55 to be eligible to collect a retirement benefit. The full benefit age of Tier 6 is 63 and ERS members.

Benefit Calculation: Generally, the benefit is 1.67 percent of final average salary for each year of service if the member retires with less than 20 years. If a member retires with 20 years of service, the benefit is 1.75 percent of final average salary for each year of service. If a member retires with more than 20 years of service, an additional benefit of 2 percent of final average salary is applied for each year of service over 20 years. Tier 6 members with ten or more years of service can retire as early as 55 with reduced benefits.

Final average salary is the average of the wages earned in the five highest consecutive years. For Tier 6 members, each year of final average salary is limited to no more than 10 percent of the average of the previous four years.

Ordinary Disability Benefits

Generally, ordinary disability benefits, usually one-third of salary, are provided to eligible members after ten years of service; in some cases, they are provided after five years of service.

Accidental Disability Benefits

For all eligible Tier 1 and Tier 2 ERS and PFRS members, the accidental disability benefit is a pension of 75 percent of final average salary, with an offset for any Workers' Compensation benefits received. The benefit for eligible Tier 3, 4, 5, and 6 members is the ordinary disability benefit with the years-of-service eligibility requirement dropped.

Ordinary Death Benefits

Death benefits are payable upon the death, before retirement, of a member who meets eligibility requirements as set forth by law. The first $50,000 of an ordinary death benefit is paid in the form of group term life insurance. The benefit is generally three times the member's annual salary. For most members, there is also a reduced post-retirement ordinary death benefit available.

Post-Retirement Benefit Increases

A cost-of-living adjustment is provided annually to: (i) all pensioners who have attained age 62 and have been retired for five years; (ii) all pensioners who have attained age 55 and have been retired for ten years; (iii) all disability pensioners, regardless of age, who have been retired for five years; (iv) ERS recipients of an accidental death benefit, regardless of age, who have been receiving such benefit for five years and (v) the spouse of a deceased retiree receiving a lifetime benefit under an option elected by the retiree at retirement. An eligible spouse is entitled to one-half the cost-of-living adjustment amount that would have been paid to the retiree when the retiree would have met the eligibility criteria. This cost-of-living adjustment is a percentage of the annual retirement benefit of the eligible member as computed on a base benefit amount not to exceed $18,000 of the annual retirement benefit. The cost-of-living percentage shall be 50 percent of the annual Consumer Price Index as published by the U.S. Bureau of Labor, but cannot be less than 1 percent or exceed 3 percent.

3. Contributions

The System is noncontributory except for employees who joined the New York State and Local Employees' Retirement System after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 (ERS) who generally contribute 3 percent of their salary for their entire length of service. For Tier 6 members, the contribution rate varies from 3 percent to 6 percent depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly, used in computing the employers' contributions based on salaries paid during the Systems' financial year ending March 31. Contributions for the two preceding years were equal to 100 percent of the contributions required, and were as follows:

Prepayment Due Date	ERS	
12/15/2022	$ 37,445	
12/15/2021	$ 39,260	
12/15/2020	$ 20,460	*

* The contribution for 2020 was equal to 100 percent of the contributions required, however was not prepaid, and was paid by the February 2021 due date, totaling $20,460.

B. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources related to Pensions

At December 31, 2022, COMIDA reported an asset of $94,469 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. COMIDA's proportion of the net pension liability was based on a projection of COMIDA's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At December 31, 2022, COMIDA's proportion was 0.0011556 percent for ERS.

(V.) (Continued)

For the year ended December 31, 2022 COMIDA recognized pension expense of $10,141. At December 31, 2022, COMIDA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 7,154	$ 9,280
Changes of assumptions	157,659	2,660
Net difference between projected and actual earnings on pension plan investments	-	309,347
Changes in proportion and differences between COMIDA's contributions and proportionate share of contributions	49,400	20,174
Subtotal	$ 214,213	$ 341,461
COMIDA's contributions subsequent to the measurement date	28,091	-
Grand Total	**$ 242,304**	**$ 341,461**

For the year ended December 31, 2021 COMIDA recognized pension expense of $10,225. At December 31, 2021, COMIDA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 6,798	$ -
Changes of assumptions	102,344	1,930
Net difference between projected and actual earnings on pension plan investments	-	159,894
Changes in proportion and differences between COMIDA's contributions and proportionate share of contributions	6,892	15,556
Subtotal	$ 116,034	$ 177,380
COMIDA's contributions subsequent to the measurement date	29,445	-
Grand Total	**$ 145,479**	**$ 177,380**

COMIDA reported $28,091 as deferred outflows of resources related to pensions resulting from COMIDA contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expenses as follows:

Year	Amount
2023	$ (16,474)
2024	(28,483)
2025	(74,214)
2026	(8,077)
Total	$ (127,248)

1. **Actuarial Assumptions**

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

	2022	2021
Measurement date	March 31, 2022	March 31, 2021
Actuarial valuation date	April 1, 2021	April 1, 2020
Interest rate	5.90%	5.90%
Salary scale	4.40%	4.40%
Decrement tables	April 1, 2011- March 31, 2015 System's Experience	April 1, 2011- March 31, 2015 System's Experience
Inflation rate	2.70%	2.70%
COLA's	1.40%	1.40%

Annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System experience with adjustments for mortality improvements based on the Society of Actuaries’ Scale MP-2020.

The long term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long term expected rate of return by weighting the expected future real rates of return by each the target asset allocation percentage and by adding expected inflation. Best estimates of the arithmetic real rates of return for each major asset class included in the target asset allocation are summarized as follows:

(V.) (Continued)

	Long Term Expected Rate of Return			
	ERS	**ERS**	**2022**	**2021**
Measurement date	March 31, 2022	March 31, 2021	**Target Allocation**	**Target Allocation**
Asset Type -				
Domestic equity	3.30%	4.05%	32.00%	32.00%
International equity	5.85%	6.30%	15.00%	15.00%
Private equity	6.50%	6.75%	10.00%	10.00%
Real estate	5.00%	4.95%	9.00%	9.00%
Absolute return strategies *	4.10%	4.50%	0.00%	0.00%
Opportunistic portfolios	4.10%	4.50%	3.00%	3.00%
Real assets	5.80%	5.95%	3.00%	3.00%
Bonds and mortgages	0.00%	0.00%	23.00%	23.00%
Cash	-1.00%	0.50%	1.00%	1.00%
Inflation-indexed bonds	-1.00%	0.50%	0.00%	0.00%
Credit	3.78%	3.63%	4.00%	4.00%

The real rate of return is net of the long-term inflation assumption of 2.5%.

* Excludes equity-oriented long-only funds. For investment management purposes, these funds are included in domestic equity and internal equity.

2. Discount Rate

The discount rate used to calculate the total pension liability was 5.9%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents COMIDA's proportionate share of the net pension liability calculated using the discount rate of 5.9%, as well as what COMIDA's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentage point lower (4.9%) or 1-percentage point higher (6.9%) than the current rate for 2022:

	1% Decrease (4.9%)	Current Assumption (5.9%)	1% Increase (6.9%)
Employer's proportionate share of the net pension asset (liability)	$ (243,163)	$ 94,469	$ 376,882

(V.) (Continued)

The following presents COMIDA's proportionate share of the net pension liability calculated using the discount rate of 5.9%, as well as what COMIDA's proportionate share of the net pension asset/(liability) would be if it were calculated using a discount rate that is 1-percentage point lower (4.9%) or 1-percentage point higher (6.9%) than the current rate for 2021:

	1% Decrease (4.9%)	**Current Assumption (5.9%)**	**1% Increase (6.9%)**
Employer's proportionate share of the net pension asset (liability)	$ (154,496)	$ (557)	$ 141,411

4. Pension Plan Fiduciary Net Position

The components of the current year net pension asset/(liability) of the employers as of the respective valuation dates, were as follows for December 31:

	2022 (In Millions) ERS	**2021 (In Millions) ERS**
Measurement date	March 31, 2022	March 31, 2021
Employers' total pension liability	$ (223,875)	$ (220,680)
Plan net position	232,049	220,580
Employers' net pension asset/(liability)	$ 8,174	$ (100)
Ratio of plan net position to the employers' total pension asset/(liability)	103.65%	99.95%

VI. Section 457 Deferred Compensation Plan

Employees of COMIDA may elect to participate in the NYS Public Employees Deferred Compensation Plan (the Plan) created in accordance with Internal Revenue Code Section 457. The Plan is available to all employees and permits the employee to defer a portion of their salary until future years, usually after retirement. At December 31, 2022 and 2021 the value of the Plan was $250,128 and $288,270, respectively.

VII. Monroe County Finger Lakes Procurement Technical Assistance Center (PTAC)

Under its Monroe County Finger Lakes Procurement Technical Assistance Center (PTAC), COMIDA, as the host agency for PTAC, receives grants from the United States Department of Defense, and Monroe County. For the years ended December 31, 2022 and 2021, respectively, COMIDA recognized PTAC income of $318,388 and $232,438 and corresponding expenses recorded in accordance with their natural classifications in the accompanying statement of revenues, expenses, and changes in net position.

VIII. Commitments

A. Community Development

In 2009, COMIDA entered into an agreement with Greater Rochester Enterprise, Inc. to promote local and economic development efforts. COMIDA contributed $50,000 to this organization in 2022 and 2021. COMIDA expects to contribute $50,000 to this organization in 2023.

In 2017, COMIDA committed to providing $355,000 in funding to support LadderzUp (the Program). During 2018, COMIDA approved a new three-year agreement from October 2018 to October 2021, committing $1.4 million. The Program was created to provide educational and training opportunities aligned with current and future job openings in high demand industries and provide County employers access to employee training and a pool of newly skilled workers seeking a career. In 2021, COMIDA contributed $714,724 to this program. In 2021, they signed a new agreement with Monroe Community College to fund MPower (the Program) from October 2021 through September 2024, committing to $1.5M. COMIDA contributed $393,005 in 2022 and expects to contribute $500,000 to the Program in 2023.

In 2022, COMIDA entered into an agreement with YAMTEP, Inc. to provide workforce development services through its manufacturing training program. The agreement runs through June 30, 2023. COMIDA contributed $200,000 to this organization during 2022 and expects to contribute $200,000 to the organization in 2023.

B. Management Services – Related Party

Annually, COMIDA enters into an agreement with the County of Monroe for program support and rent provided to COMIDA. The agreement required a payment in the amount of $474,000 and $474,000 for 2022 and 2021, respectively. COMIDA expects to pay $474,000 for these services in 2023.

IX. Related Parties

A. Monroe County – Comprehensive Plan

On January 1, 2022, COMIDA entered into a contract with Monroe County, which stated that COMIDA agrees to pay the County a sum of $200,000 for costs and expenses to be incurred for the preparation of the Comprehensive Plan. This agreement is for the period June 1, 2021 through May 31, 2023.In 2022 and 2021 COMIDA contributed $83,333 and $58,333, respectively, for this project.

X. Commitments and Contingencies:

A. Pending or Threatened Litigation

There were three claims filed against COMIDA for which the financial outcome, if any, cannot be determined at this time.

Required Supplemental Schedule 1

Required Supplemental Information
COUNTY OF MONROE INDUSTRIAL DEVELOPMENT AGENCY
A Discretely Presented Component Unit of the County of Monroe, Rochester, New York

SCHEDULE OF COUNTY OF MONROE INDUSTRIAL DEVELOPMENT AGENCY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (UNAUDITED)

For Year Ended December 31, 2022

	NYSERS Pension Plan						
	2022	2021	2020	2019	2018	2017	2016
Proportion of the net pension liability (assets)	0.0011556%	0.0005590%	0.0006430%	0.0005631%	0.0003800%	0.0004900%	0.0005800%
Proportionate share of the net pension liability (assets)	$ (94)	$ 1	$ 170	$ 40	$ 12	$ 46	$ 93
Covered-employee payroll	$ 361	$ 266	$ 128	$ 133	$ 111	$ 81	$ 152
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	-26.039%	0.376%	132.813%	30.075%	10.81%	56.79%	61.18%
Plan fiduciary net position as a percentage of the total pension liability	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%

10 years of historical information is not available and will be reported each year going forward
(See Independent Auditors' Report)

Required Supplemental Schedule 2

Required Supplemental Information
COUNTY OF MONROE INDUSTRIAL DEVELOPMENT AGENCY
A Discretely Presented Component Unit of the County of Monroe, Rochester, New York

SCHEDULE OF COUNTY OF MONROE INDUSTRIAL DEVELOPMENT AGENCY CONTRIBUTIONS (UNAUDITED)

For Year Ended December 31, 2022

NYSERS Pension Plan	2022	2021	2020	2019	2018	2017	2016
Contractually required contributions	$ 37	$ 39	$ 20	$ 21	$ 17	$ 13	$ 24
Contributions in relation to the contractually required contribution	(37)	(39)	(20)	(21)	(17)	(13)	(24)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 361	$ 266	$ 128	$ 133	$ 111	$ 81	$ 152
Contributions as a percentage of covered-employee payroll	10.25%	14.66%	15.63%	15.79%	15.32%	16.05%	15.79%

10 years of historical information is not available and will be reported each year going forward
(See Independent Auditors' Report)

**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***

Independent Auditors' Report

To the Board of Directors
County of Monroe Industrial
Development Agency
A Discretely Presented Component Unit of the
County of Monroe, Rochester, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the County of Monroe Industrial Development Agency, A Discretely Presented Component Unit of the County of Monroe, Rochester, New York, (COMIDA) as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the County of Monroe Industrial Development Agency, A Discretely Presented Component Unit of the County of Monroe, Rochester, New York's basic financial statements, and have issued our report thereon dated April 17, 2023.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County of Monroe Industrial Development Agency, A Discretely Presented Component Unit of the County of Monroe, Rochester, New York's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Monroe Industrial Development Agency, A Discretely Presented Component Unit of the County of Monroe, Rochester, New York's internal control. Accordingly, we do not express an opinion on the effectiveness of the County of Monroe Industrial Development Agency, A Discretely Presented Component Unit of the County of Monroe, Rochester, New York's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County of Monroe Industrial Development Agency, A Discretely Presented Component Unit of the County of Monroe, Rochester, New York's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of COMIDA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering COMIDA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mengel, Metzger, Barr & Co. LLP

Rochester, New York
April 17, 2023

COUNTY OF MONROE
INDUSTRIAL DEVELOPMENT AGENCY

A Discretely Presented Component Unit
of the County of Monroe

ROCHESTER, NEW YORK

LETTER OF COMMUNICATION

For Year Ended December 31, 2022

MMB+CO

BUSINESS
ADVISORS
AND CPAS

MMB+CO
BUSINESS ADVISORS AND CPAS

April 17, 2023

To the Board of Directors
County of Monroe Industrial
Development Agency
A Discretely Presented Component Unit of the County of Monroe
Rochester, New York

We have audited the financial statements of the County of Monroe Industrial Development Agency, A Discretely Presented Component Unit of the County of Monroe, Rochester, New York for the year ended December 31, 2022, and have issued our report thereon dated April 17, 2023. Professional standards require that we provide you with the following information related to our audit.

A. Our Responsibility Under U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*

As stated in our engagement letter dated November 18, 2022, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are presented fairly, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

As part of our audit, we considered the internal control of the County of Monroe Industrial Development Agency. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the County of Monroe Industrial Development Agency's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

B. Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to management and the Board in our engagement letter dated November 18, 2022.

C. **Significant Risks Identified**

Professional standards require that we identify and assess risks and design and perform our audit procedures to assess those risks. The two risks which are always identified in an audit are management override of internal controls and revenue recognition. The identification of a risk does not mean that it has occurred, but rather it has the potential to impact the financial statements.

D. **Significant Audit Findings**

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the County of Monroe Industrial Development Agency are described in Note 1 to the financial statements. The new accounting pronouncements which were implemented were GASB Statement 87 *Leases*, GASB Statement 91 *Conduit Debt Obligations*, GASB Statement # 92 *Omnibus 2020 Paragraphs 6, 7, 8, 9, 10, 12*, GASB Statement 93 *Replacement of Interbank Offered Rates Paragraphs 11b, 13 and 14,* and GASB Statement 97 *Certain Component Unit Criteria and Accounting and Financial Report for Internal Revenue Code Section 457 Deferred Compensation Plans.* We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events effecting them may differ significantly from those expected. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no individually sensitive disclosures affecting the financial statements.

E. **Difficulties Encountered in Performing the Audit**

We encountered no significant difficulties in dealing with management in performing and completing our audit.

F. **Corrected and Uncorrected Misstatements**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

G. **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

H. **Management Representations**

We have requested certain representations from management that are included in the management representation letter dated April 17, 2023.

I. Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

J. Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

K. Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence. Safeguards in place to eliminate or reduce threats to independence to an acceptable level include a skilled, knowledgeable and experienced Finance Director who reviews draft financial statements prior to issuance and accepts responsibility for them.

L. Other Matters

We applied certain limited procedures to the management's discussion and analysis, schedule of the County of Monroe Industrial Development Agency's proportionate share of the net pension liability, and schedule of the County of Monroe Industrial Development Agency's contributions, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on supplementary information accompanying the financial statements (as listed in the table of contents) but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

* * *

This information is intended solely for the use of the Board and management of the County of Monroe Industrial Development Agency and is not intended to be and should not be used by anyone other than these specified parties.

Mengel, Metzger, Barr & Co. LLP

Rochester, New York
April 17, 2023