

**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, 2020 and 2019



MENGEL METZGER BARR & CO. LLP

Certified Public Accountants

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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 Financial Statements

We have audited the accompanying 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, 2020 and 2019, and the related notes to the financial statements, which collectively comprise COMIDA's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to COMIDA's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of COMIDA's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the County of Monroe Industrial Development Agency, A Discretely Presented Component Unit of the County of Monroe, Rochester, New York, as of December 31, 2020 and 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of COMIDA's proportionate share of the net pension liability, and schedule of COMIDA contributions on pages 4–7 and 28–29, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 19, 2021 on our consideration of 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 and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County of Monroe Industrial Development Agency, A Discretely Presented Component Unit of the County of Monroe, Rochester, New York's internal control over financial reporting and compliance.

Mengel, Metzger, Baw & Co. LLP

Rochester, New York
March 19, 2021

**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, 2020

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, 2020. 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 \$7,081,234 at the end of 2020 as compared to \$8,789,256 at the end of 2019.
- COMIDA's total operating revenues were \$1,415,261 in 2020 as compared to \$2,672,208, in 2019.
- COMIDA's total expenses were \$3,163,246 in 2020 as compared to \$2,041,074 in 2019.
- COMIDA's total nonoperating revenues were \$39,963 in 2020 as compared to \$128,838 in 2019.
- COMIDA's change in net position was (\$1,708,022) in 2020 as compared to \$759,972 in 2019.

OVERVIEW OF FINANCIAL STATEMENTS

The statement of net position and the statement of revenue, expenses and change 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, 2020, 2019, and 2018.

Net Position

<u>ASSETS</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Current Assets	\$ 6,678,939	\$ 8,378,087	\$ 8,014,215
Non-Current Assets	625,000	625,000	625,000
Capital Assets	20,479	25,799	1,396
Total Assets	\$ 7,324,418	\$ 9,028,886	\$ 8,640,611
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	\$ 126,813	\$ 45,016	\$ 50,077
<u>LIABILITIES</u>			
Current Liabilities	\$ 186,396	\$ 221,596	\$ 600,302
Noncurrent Liabilities	170,258	39,897	12,374
Total Liabilities	\$ 356,654	\$ 261,493	\$ 612,676
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	\$ 13,343	\$ 23,153	\$ 48,728
<u>NET POSITION</u>			
Net Investment in Capital Assets	\$ 20,479	\$ 25,799	\$ 1,396
Unrestricted-Operating	7,060,755	8,763,457	8,027,888
Total Net Position	\$ 7,081,234	\$ 8,789,256	\$ 8,029,284

During 2020, current assets decreased \$1,699,148 due primarily to expenses exceeding revenue which was a result of a decrease in fee income of approximately \$1,300,000 and a new expense of \$1,000,000 for the emergency loan program.

During 2020, current liabilities decreased \$35,200 due primarily to a decrease in accrued expenses of approximately \$137,000 due mostly to LadderzUp invoices being received in the current year, offset by increases in accounts payable of approximately \$90,000 and PTAC unearned revenue of approximately \$13,000.

During 2019, current assets increased \$363,872 due primarily to an increase in fee income of approximately \$285,000 for closed projects and increased receivables from MCIDC for approximately \$39,000 as a result of increased contracted services.

During 2019, current liabilities decreased \$378,706 due primarily to a decrease in accrued expenses due to the County of Monroe for \$511,000 due to payment of the expense in the current year, offset by an increase in accrued expenses for the LadderzUp contract of approximately \$74,000 and an increase in PTAC unearned revenue for approximately \$54,000.

Changes in Net Position

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Revenues:</u>			
Fee Income	\$ 1,199,983	\$ 2,522,377	\$ 2,237,302
PTAC Income	215,278	149,831	172,881
Contract Reimbursement Income	38,080	123,433	69,423
Interest Income	1,883	5,405	3,480
Settlement Income	-	-	140,000
Total Revenues	<u>\$ 1,455,224</u>	<u>\$ 2,801,046</u>	<u>\$ 2,623,086</u>
<u>Expenses:</u>			
Program & Community Development	\$ 2,257,322	\$ 1,147,340	\$ 1,255,534
Salaries	367,933	397,909	342,421
Professional Services	308,816	309,569	471,589
Payroll Taxes & Employee Benefits	117,215	60,203	54,380
Rent	58,875	58,875	58,875
Travel, Meetings & Entertainment	5,501	16,869	16,910
Office Supplies & Postage	8,321	10,985	11,310
Advertising & Promotion	9,590	27,235	25,532
Dues & Subscriptions	11,917	4,757	3,850
Staff Development	8,299	4,388	31
Depreciation	5,320	597	505
Other	4,137	2,347	7,720
Total Expenses	<u>\$ 3,163,246</u>	<u>\$ 2,041,074</u>	<u>\$ 2,248,657</u>
Change in Net Position	<u>\$ (1,708,022)</u>	<u>\$ 759,972</u>	<u>\$ 374,429</u>
Net Position - Beginning of Year	<u>8,789,256</u>	<u>8,029,284</u>	<u>7,654,855</u>
Net Position - End of Year	<u>\$ 7,081,234</u>	<u>\$ 8,789,256</u>	<u>\$ 8,029,284</u>

During 2020, total revenue decreased \$1,345,822 or 48%. The main reason for this decrease is due to general decreases in fee income. Total expenses increased by \$1,122,172 or 55% due mostly to the \$1,000,000 support fee paid to Monroe County Industrial Development Corporation for their emergency loan program.

During 2019, total revenue increased \$177,960 or 7%. The main reason for this increase is due to general increases in fee income and contract reimbursement income, offset by a decrease in settlement income of approximately \$140,000. Total expenses decreased by \$207,583 or 10% due to a decrease in contracted expenditures with Monroe County of approximately \$35,000, a decrease in legal fees of approximately \$222,000 and an increase in salaries of approximately \$55,000.

Future Factors

The impact of the COVID-19 pandemic continues to evolve as of the date of these financial statements. It is uncertain as to the effect that the pandemic will have on COMIDA's operations, financial condition and future results of operations. Management will continue to monitor the situation as it progresses.

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

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, 2020 and 2019

<u>ASSETS:</u>	<u>2020</u>	<u>2019</u>
<u>Current Assets -</u>		
Cash and cash equivalents	\$ 6,559,367	\$ 8,267,561
PTAC receivable	35,394	38,586
Accounts receivable	46,543	51,315
Prepaid expenses	37,635	20,625
Total Current Assets	\$ 6,678,939	\$ 8,378,087
<u>Noncurrent Assets -</u>		
Assets held for sale	\$ 625,000	\$ 625,000
Total Noncurrent Assets	\$ 625,000	\$ 625,000
<u>Capital Assets -</u>		
Equipment	\$ 61,732	\$ 61,732
Accumulated depreciation	(41,253)	(35,933)
Total Capital Assets	\$ 20,479	\$ 25,799
TOTAL ASSETS	\$ 7,324,418	\$ 9,028,886
 <u>DEFERRED OUTFLOW OF RESOURCES:</u>		
	\$ 126,813	\$ 45,016
 <u>LIABILITIES:</u>		
<u>Current Liabilities -</u>		
Accounts payable	\$ 104,251	\$ 14,134
Accrued expenses	14,602	153,246
Unearned revenue	67,543	54,216
Total Current Liabilities	\$ 186,396	\$ 221,596
<u>Noncurrent Liabilities -</u>		
Net pension liability	\$ 170,258	\$ 39,897
TOTAL LIABILITIES	\$ 356,654	\$ 261,493
 <u>DEFERRED INFLOW OF RESOURCES:</u>		
	\$ 13,343	\$ 23,153
 <u>NET POSITION:</u>		
Net investment in capital assets	\$ 20,479	\$ 25,799
Unrestricted - Operating	7,060,755	8,763,457
TOTAL NET POSITION	\$ 7,081,234	\$ 8,789,256

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

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, 2020 and 2019

<u>OPERATING REVENUES:</u>	<u>2020</u>	<u>2019</u>
Fee income	\$ 1,199,983	\$ 2,522,377
PTAC income	215,278	149,831
TOTAL OPERATING REVENUES	<u>\$ 1,415,261</u>	<u>\$ 2,672,208</u>
<u>EXPENSES:</u>		
Program and Community Development Expenses -		
Community development	\$ 692,197	\$ 520,215
Community development - The Entrepreneurs Network	100,000	165,000
Community development - Greater Rochester Enterprise, Inc.	50,000	50,000
Emergency loan program support	1,000,000	-
Program support	415,125	412,125
Total Program and Community Development Expenses	<u>\$ 2,257,322</u>	<u>\$ 1,147,340</u>
Operating Expenses -		
Salaries	\$ 367,933	\$ 397,909
Professional services	308,816	309,569
Payroll taxes and employee benefits	117,215	60,203
Rent	58,875	58,875
Travel, meetings and entertainment	5,501	16,869
Office supplies and postage	8,321	10,985
Advertising and promotion	9,590	27,235
Dues and subscriptions	11,917	4,757
Staff development	8,299	4,388
Depreciation	5,320	597
Other	4,137	2,347
Total Operating Expenses	<u>\$ 905,924</u>	<u>\$ 893,734</u>
TOTAL EXPENSES	<u>\$ 3,163,246</u>	<u>\$ 2,041,074</u>
OPERATING INCOME	<u>\$ (1,747,985)</u>	<u>\$ 631,134</u>
<u>NONOPERATING REVENUES (EXPENSES):</u>		
Contract reimbursement income	\$ 38,080	\$ 123,433
Interest income	1,883	5,405
TOTAL NONOPERATING REVENUES	<u>\$ 39,963</u>	<u>\$ 128,838</u>
CHANGE IN NET POSITION	\$ (1,708,022)	\$ 759,972
NET POSITION - BEGINNING OF YEAR	<u>8,789,256</u>	<u>8,029,284</u>
NET POSITION - END OF YEAR	<u>\$ 7,081,234</u>	<u>\$ 8,789,256</u>

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

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, 2020 and 2019

<u>Cash Flows From Operating Activities:</u>	<u>2020</u>	<u>2019</u>
Cash received from customers	\$ 1,431,780	\$ 2,702,429
Cash paid to employees for services	(456,713)	(451,103)
Cash paid to suppliers for goods and services	(470,674)	(881,640)
Cash paid for program and community development	(1,257,322)	(1,147,340)
Cash paid for emergency loan program support	(1,000,000)	-
Net Cash Provided by Operating Activities	<u>\$ (1,752,929)</u>	<u>\$ 222,346</u>
<u>Cash Flows From Capital and Related Financing Activities:</u>		
Purchases of capital assets	\$ -	\$ (25,000)
Net Cash Used In Capital and Related Financing Activities	<u>\$ -</u>	<u>\$ (25,000)</u>
<u>Cash Flows From Non - Capital Financing Activities:</u>		
Cash received from contract reimbursement income	\$ 42,852	\$ 123,433
Net Cash Provided By Non-Capital Financing Activities	<u>\$ 42,852</u>	<u>\$ 123,433</u>
<u>Cash Flows From Investing Activities:</u>		
Interest income	\$ 1,883	\$ 5,405
Net (Decrease) Increase in Cash	\$ (1,708,194)	\$ 326,184
Cash and Cash Equivalents - Beginning of Year	<u>8,267,561</u>	<u>7,941,377</u>
Cash and Cash Equivalents - End of Year	<u>\$ 6,559,367</u>	<u>\$ 8,267,561</u>
<u>Reconciliation of Change in Net Position to Net Cash Used by Operating Activities</u>		
Change in net position	<u>\$ (1,747,985)</u>	<u>\$ 631,134</u>
Adjustments to reconcile Change in Net Position to Net Cash Used by Operations:		
Depreciation	\$ 5,320	\$ 597
Change in assets and liabilities -		
Deferred inflows and outflows of resources	(91,607)	(20,514)
PTAC receivable	3,192	15,432
Accounts receivable	-	(39,427)
Prepaid expense	(17,010)	(13,693)
Accounts payable	90,117	7,201
Accrued expenses	(138,644)	70,877
Due to Monroe County	-	(511,000)
Unearned revenue	13,327	54,216
Net pension liability	130,361	27,523
Total Adjustments to reconcile Change in Net Position to Net Cash Used by Operations	<u>\$ (4,944)</u>	<u>\$ (408,788)</u>
Net Cash (Used) Provided by Operating Activities	<u>\$ (1,752,929)</u>	<u>\$ 222,346</u>

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

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

NOTES TO FINANCIAL STATEMENTS

December 31, 2020

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.

(I.) (Continued)

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, 2020 and 2019, 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.

(I.) (Continued)

As of December 31, 2020, there were 22 series of Industrial Development Bonds outstanding with an approximate aggregate amount payable of approximately \$630 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.

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.

(I.) (Continued)

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 lease-leaseback transactions and taxable bond issues which are equal to .50% of the project amount. For the various tax abatement programs, which provide tax incentives for organizations to increase jobs while using local labor on projects, an additional .25% fee is charged. The fee earned on tax-exempt bond issues is equal to 1% of the project amount. Fee income is recorded as revenue when the financing closes, regardless of when the related cash is received. For projects receiving a sales tax letter, 25% of the fee is recognized as revenue when the sales tax letter is issued. Fee income received prior to closing is recorded as unearned revenue. 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.

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.

(I.) (Continued)

O. New Accounting Standards

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

GASB Statement 83, *Certain Asset Retirement Obligations*.

GASB Statement 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*.

GASB Statement 90 *Majority Equity Interests-an amendment of GASB Statement No. 14 and No. 61*.

GASB Statement 92 *Omnibus 2020 Paragraphs 4, 5, 11, 13*.

GASB Statement 95 *Postponement of Effective Dates of Certain Authoritative Guidance*.

P. Future Changes in Accounting Standards

GASB has issued Statement 87 *Leases*, which will be effective for reporting periods beginning after June 15, 2021.

GASB has issued Statement 89 *Accounting for Interest Cost Incurred before the End of a Construction Period*, which will be effective for reporting periods beginning December 15, 2020.

GASB has issued Statement 91 *Conduct Debt Obligations*, which will be effective for reporting periods beginning after December 15, 2021.

GASB has issued Statement 92 *Omnibus 2020 Paragraphs 6, 7, 8, 9, 10, 12*, which will be effective for reporting periods beginning after June 15, 2021.

GASB has issued Statement 93 *Replacement of Interbank Offered Rates Paragraphs 1-11a, and 12*, which will be effective for reporting periods beginning after June 15, 2020.

GASB has issued Statement 93 *Replacement of Interbank Offered Rates Paragraphs 13 and 14*, which will be effective for reporting periods beginning after June 15, 2021.

GASB has issued Statement 93 *Replacement of Interbank Offered Rates Paragraph 11b*, which will be effective for reporting periods beginning after December 15, 2021.

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.

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;

(I.) (Continued)

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. Cash

At December 31, 2020 and 2019, 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:

	2020	
	Bank Balance	Carrying Amount
Demand deposits	\$ 4,574,150	\$ 4,574,200
Time deposits	1,985,167	1,985,167
Total	\$ 6,559,317	\$ 6,559,367

	2019	
	Bank Balance	Carrying Amount
Demand deposits	\$ 6,284,227	\$ 6,284,277
Time deposits	1,983,284	1,983,284
Total	\$ 8,267,511	\$ 8,267,561

These deposits were insured or collateralized as follows:

	2020	2019
FDIC insurance	\$ 500,000	\$ 500,000
Collateralized by third-party	6,180,505	7,767,511
Total	\$ 6,680,505	\$ 8,267,511

III. Capital Assets:

Capital asset activity for the year ended December 31, 2020 was as follows:

<u>Type</u>	<u>Balance</u> <u>01/01/20</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/20</u>
<u>Capital assets being depreciated:</u>				
Office equipment	\$ 26,825	\$ -	\$ -	\$ 26,825
Furniture and fixtures	9,908	-	-	9,908
Software	25,000	-	-	25,000
<i>Total capital assets being depreciated</i>	<u>\$ 61,733</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 61,733</u>
<u>Less accumulated depreciation for:</u>				
Office equipment	\$ (26,825)	\$ -	\$ -	\$ (26,825)
Furniture and fixtures	(9,109)	(320)	-	(9,429)
Software	-	(5,000)	-	(5,000)
<i>Total accumulated depreciation</i>	<u>\$ (35,934)</u>	<u>\$ (5,320)</u>	<u>\$ -</u>	<u>\$ (41,254)</u>
<i>Capital assets, net</i>	<u>\$ 25,799</u>	<u>\$ (5,320)</u>	<u>\$ -</u>	<u>\$ 20,479</u>

The depreciation expense was \$5,320 for the December 31, 2020 year.

Capital asset activity for the year ended December 31, 2019 was as follows:

<u>Type</u>	<u>Balance</u> <u>01/01/19</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/19</u>
<u>Capital assets being depreciated:</u>				
Office equipment	\$ 26,825	\$ -	\$ -	\$ 26,825
Furniture and fixtures	9,908	-	-	9,908
Software	-	25,000	-	25,000
<i>Total capital assets being depreciated</i>	<u>\$ 36,733</u>	<u>\$ 25,000</u>	<u>\$ -</u>	<u>\$ 61,733</u>
<u>Less accumulated depreciation for:</u>				
Office equipment	\$ (26,825)	\$ -	\$ -	\$ (26,825)
Furniture and fixtures	(8,512)	(597)	-	(9,109)
<i>Total accumulated depreciation</i>	<u>\$ (35,337)</u>	<u>\$ (597)</u>	<u>\$ -</u>	<u>\$ (35,934)</u>
<i>Capital assets, net</i>	<u>\$ 1,396</u>	<u>\$ 24,403</u>	<u>\$ -</u>	<u>\$ 25,799</u>

The depreciation expense was \$597 for the December 31, 2019 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, 2020 and 2019, 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.

(V.) (Continued)

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.

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.

(V.) (Continued)

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	
<u>Due Date</u>	<u>ERS</u>
12/15/2020	\$ 20,460 *
12/15/2019	\$ 20,780
12/15/2018	\$ 17,282

* The contribution for the current year 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.

(V.) (Continued)

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

At December 31, 2020, COMIDA reported a liability of \$170,258 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2020, 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, 2020, COMIDA's proportion was 0.000643 percent for ERS.

For the year ended December 31, 2020 COMIDA recognized pension expense of \$59,294. At December 31, 2020, COMIDA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 10,020	\$ -
Changes of assumptions	3,428	2,960
Net difference between projected and actual earnings on pension plan investments	87,283	-
Changes in proportion and differences between COMIDA's contributions and proportionate share of contributions	10,737	10,383
Subtotal	\$ 111,468	\$ 13,343
COMIDA's contributions subsequent to the measurement date	15,345	-
Grand Total	\$ 126,813	\$ 13,343

For the year ended December 31, 2019 COMIDA recognized pension expense of \$26,912. At December 31, 2019, COMIDA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 7,856	\$ 2,678
Changes of assumptions	10,028	-
Net difference between projected and actual earnings on pension plan investments	-	10,240
Changes in proportion and differences between COMIDA's contributions and proportionate share of contributions	11,547	10,235
Subtotal	\$ 29,431	\$ 23,153
COMIDA's contributions subsequent to the measurement date	15,585	-
Grand Total	\$ 45,016	\$ 23,153

(V.) (Continued)

COMIDA reported \$15,345 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, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expenses as follows:

<u>Year</u>	<u>Amount</u>
2021	\$ 16,037
2022	23,966
2023	32,631
2024	25,491
Total	<u><u>\$ 98,125</u></u>

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:

	<u>2020</u>	<u>2019</u>
Measurement date	March 31, 2020	March 31, 2019
Actuarial valuation date	April 1, 2019	April 1, 2018
Interest rate	6.80%	7.00%
Salary scale	4.50%	4.20%
Decrement tables	April 1, 2011- March 31, 2015 System's Experience	April 1, 2010- March 31, 2015 System's Experience
Inflation rate	2.50%	2.50%
COLA's	1.30%	1.30%

Annuitant mortality rates are based on Society of Actuaries Scale MP-2014 System's experience with adjustments for mortality improvements based on MP-2018.

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)

Measurement date	Long Term Expected Rate of Return			
	<u>ERS</u> March 31, 2020	<u>ERS</u> March 31, 2019	<u>2020</u> <u>Target Allocation</u>	<u>2019</u> <u>Target Allocation</u>
<u>Asset Type -</u>				
Domestic equity	4.05%	4.55%	36.00%	36.00%
International equity	6.15%	6.35%	14.00%	14.00%
Private equity	6.75%	7.50%	10.00%	10.00%
Real estate	4.95%	5.55%	10.00%	10.00%
Absolute return strategies *	3.25%	3.75%	2.00%	2.00%
Opportunistic portfolios	4.65%	5.68%	3.00%	3.00%
Real assets	5.95%	5.29%	3.00%	3.00%
Bonds and mortgages	0.75%	1.31%	17.00%	17.00%
Cash	0.00%	-0.25%	1.00%	1.00%
Inflation-indexed bonds	0.50%	1.25%	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 6.8%. 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 6.8%, 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 (5.8%) or 1-percentage point higher (7.8%) than the current rate for 2020:

	<u>1% Decrease</u> <u>(5.8%)</u>	<u>Current</u> <u>Assumption</u> <u>(6.8%)</u>	<u>1% Increase</u> <u>(7.8%)</u>
Employer's proportionate share of the net pension asset (liability)	\$ (312,472)	\$ (170,258)	\$ (39,279)

(V.) (Continued)

The following presents COMIDA's proportionate share of the net pension liability calculated using the discount rate of 7%, 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 (6%) or 1-percentage point higher (8%) than the current rate for 2019:

	1% Decrease (6%)	Current Assumption (7%)	1% Increase (8%)
Employer's proportionate share of the net pension asset (liability)	\$ 174,434	\$ 39,897	\$ (73,124)

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:

	2020 (In Millions)	2019 (In Millions)
	<u>ERS</u>	<u>ERS</u>
Measurement date	March 31, 2020	March 31, 2019
Employers' total pension liability	\$ (194,596)	\$ (189,803)
Plan net position	168,116	182,718
Employers' net pension asset/(liability)	<u>\$ (26,480)</u>	<u>\$ (7,085)</u>
Ratio of plan net position to the employers' total pension asset/(liability)	86.39%	96.27%

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, 2020 and 2019 the value of the Plan was \$259,704 and \$215,837, 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, Monroe County Industrial Development Corporation, and Monroe County. For the years ended December 31, 2020 and 2019, respectively, COMIDA recognized PTAC income of \$215,278 and \$149,831 and corresponding expenses recorded in accordance with their natural classifications in the accompanying statement of revenue, expenses and change in net position.

VIII. Commitments

A. Community Development

In 2006, COMIDA entered into a three-year agreement to establish The Entrepreneurs Network (TEN) committing \$765,000, subject to annual renewal, to fund recurring six-month programs designed to optimize young entrepreneurs' exposure to, and interaction with, leading local and national entrepreneurial experts. The program offers TEN participants the opportunity to take their businesses to the next level in securing venture capital, forming strategic alliances, and defining market strategies. Through December 31, 2009, cumulative funding of \$600,881 had been provided. Management of the TEN program was taken over by another not-for-profit organization in 2010 and again during 2018, and COMIDA provided \$100,000 and \$165,000 in funding to this organization in 2020 and 2019, respectively.

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 2020 and 2019. COMIDA expects to contribute \$50,000 to this organization in 2021.

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 2020 and 2019, COMIDA contributed \$667,015 and \$320,514, respectively, to this program. COMIDA expects to contribute \$481,880 to the Program in 2021.

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 \$471,000 for 2020 and 2019, respectively. The amounts required under this contract increased in the current year to be more reflective of the actual services provided to COMIDA. COMIDA expects to pay \$474,000 for these services in 2021.

IX. Related Parties

In 2018, COMIDA entered into a contract with the Monroe County Industrial Development Corporation (the Corporation), which states that the Corporation will reimburse COMIDA for the cost of certain professional services. The contract states that the Corporation will not reimburse COMIDA for more than \$100,000 worth of services each year for the period from February 2018 to March 2019. In 2019, COMIDA entered into another contract with the Corporation, under the same terms, for the period from April 2019 to December 2019. In 2020, COMIDA entered into another contract with the Corporation, under the same terms, for the period from January 1, 2020 to December 2020. For each of the years ended December 31, 2020 and 2019, the Corporation paid cash of approximately \$38,080 and \$123,433, respectively, to COMIDA under the terms of this agreement.

On April 14, 2020 the Agency signed an agreement with the Corporation to implement and administer a \$1,000,000 Emergency Small Business Assistance Loan Program.

X. Commitments and Contingencies:

A. Pending or Threatened Litigation

There are two claims filed against COMIDA for which the outcomes cannot be determined at this time.

XI. COVID-19

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the COMIDA’s financial condition, liquidity, budgetary projections and future results of operation. Management is actively monitoring the global situation on its financial condition, liquidity, budgetary projections, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the COMIDA is not able to estimate the effects of the COVID-19 outbreak on its budgetary projections, results of operations, financial condition, or liquidity for fiscal year 2021.

**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, 2020

	NYSERS Pension Plan					
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability (assets)	0.0006430%	0.0005631%	0.0003800%	0.0004900%	0.0005800%	0.0005900%
Proportionate share of the net pension liability (assets)	\$ 170	\$ 40	\$ 12	\$ 46	\$ 93	\$ 20
Covered-employee payroll	\$ 128	\$ 133	\$ 111	\$ 81	\$ 152	\$ 180
Proportionate share of the net pension liability (assets) as a percentage of its covered-employee payroll	132.813%	30.075%	10.81%	56.79%	61.18%	11.11%
Plan fiduciary net position as a percentage of the total pension liability	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

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

**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, 2020

	NYSERS Pension Plan					
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 20	\$ 21	\$ 17	\$ 13	\$ 24	\$ 35
Contributions in relation to the contractually required contribution	<u>(20)</u>	<u>(21)</u>	<u>(17)</u>	<u>(13)</u>	<u>(24)</u>	<u>(35)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll	\$ 128	\$ 133	\$ 111	\$ 81	\$ 152	\$ 180
Contributions as a percentage of covered-employee payroll	15.63%	15.79%	15.32%	16.05%	15.79%	19.44%

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, 2020 and 2019, 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 March 19, 2021.

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, Barw & Co. LLP

Rochester, New York
March 19, 2021