COUNTY OF CATTARAUGUS
INDUSTRIAL DEVELOPMENT AGENCY

FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2021
WITH SUMMARIZED COMPARATIVE 2020 INFORMATION

COUNTY OF CATTAURAUGUS
INDUSTRIAL DEVELOPMENT AGENCY

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

TABLE OF CONTENTS

	Exhibit	Page
INDEPENDENT AUDITORS' REPORT		1
MANAGEMENT'S DISCUSSION AND ANALYSIS		4
FINANCIAL STATEMENTS		
Statement of Net Position	A	15
Statement of Activities	B	16
Statement of Cash Flows	C	17
Notes to the Financial Statements		18
REQUIRED SUPPLEMENTARY INFORMATION	Schedule	
Schedule of Proportionate Share of the Net Pension Liability	1	30
Schedule of Agency Contributions	2	31
SUPPLEMENTAL INFORMATION		
Schedule of Bonds	3	33
Schedule of Leases	4	34
Schedule of Entities Participating in Payments in Lieu of Taxes Program	5	35
INTERNAL CONTROLS AND COMPLIANCE		
Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*		37

JMA

JOHNSON, MACKOWIAK
& ASSOCIATES, LLP
Certified Public Accountants & Consultants

INDEPENDENT AUDITORS' REPORT

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

We have audited the financial statements of the business-type activities of the County of Cattaraugus Industrial Development Agency (CCIDA), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the CCIDA's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the CCIDA, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standard generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards),* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the CCIDA 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 opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatements, 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 the CCIDA's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' 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 auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and

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therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the CCIDA'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 the CCIDA'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 Proportionate Share of the Net Pension Liability and the Schedule of Agency Contributions on pages 3-13 and 29-30 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. 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.

Report on Summarized Comparative Information

We have previously audited CCIDA's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 8, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December, 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other information

Management is responsible for the other information included in the annual report. The other information comprises the supplementary information schedules but does not include the basic financial statements

and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated March 22, 2022 on our consideration of the CCIDA'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 the CCIDA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CCIDA's internal control over financial reporting and compliance.

Johnson, Mackowiak & Associates, LLP

JOHNSON, MACKOWIAK & ASSOCIATES, LLP

Fredonia, New York

March 22, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2021 WITH COMPARATIVE 2020 INFORMATION

As management of the County of Cattaraugus Industrial Development Agency, a component unit of Cattaraugus County, we offer readers of the Agency's financial statements this narrative overview and analysis of the financial activities of the Agency for the year ended December 31, 2021.

FINANCIAL HIGHLIGHTS

The Agency's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by $1,394,937 for the fiscal year reported. This compares to the previous year when assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $1,344,283.

Total net position comprises the following:

1. Net investment in capital assets of $247,180 includes property and equipment, net of accumulated depreciation.

2. Unrestricted net position of $1,147,757 represents the portion available to maintain the Agency's continuing obligations to citizens and creditors.

Agency revenue for the year ended 2021 totaled $383,119 of which $379,526 was from charges for services provided by the Agency and $3,593 was earned from investments.

In 2021, the Agency induced twelve direct projects for a net investment of just under $535,000,000 in total private sector project costs.

In 2021, the Agency reported a gross revenue increase from previous years and an increase in net position. In addition, the Agency has roughly $85,000,000 of approved projects that are ready to close when the project applicants are ready to do so, thus giving the Agency a healthy backlog of approved projects that will generate fee income when they close.

Since January 1, 2012 the County of Cattaraugus IDA & Cattaraugus County Capital Resource Corporation have conducted 87 Board Meetings, which in turn has induced 122 "direct" projects. In addition, the CCIDA/CCCRC has acted as an Advisor on 21 additional projects within Cattaraugus County.

In late 2009, with the help of the Cattaraugus County Legislature, the Agency formed the Capital Resource Corporation (CRC) to assist 501 (c) (3) entities within Cattaraugus County. The CCCRC recently (2018) had a bond reissuance with Jamestown Community College to allow the College to take advantage of cheaper interest rates. The Agency could potentially see further activity with the CCCRC in 2022.

For the year ended December 31, 2021, the Agency's expenses totaled $332,465. This includes the administrative expense of the CRC. The Agency's largest expense was for personal services and related employee benefits, which accounted for 62% percent of all expenses. Contractual expenses, such as rent, utilities, and professional services accounted for 38% percent of the Agency's total expenses. The Agency also reported depreciation of $629.

2021 proved to be another busy, exciting and somewhat historic year for the County of Cattaraugus Industrial Development Agency (CCIDA). The continued Covid-19 pandemic surely proved to still be a challenging and ever so changing year for the Agency and its businesses that we serve. Over the past several years, we have continued to implement and change our business operations in how the CCIDA can not only promote & assist economic development expansion projects, but have looked for ways to value retention projects as well, throughout the County, as evidenced with a few key projects in 2020 & 2021.

The ever-changing economy along with more companies having a global footprint (i.e. purchases/acquisitions of existing Companies, tighter budgets, etc.) poses some obstacles for the CCIDA. There is no "silver bullet" when it comes to economic development, rather lines of communications and processes will always have to be identified, refined and implemented to the best of our ability.

The CCIDA continues to make great effort and strides to transform itself in a very positive way to its business community. The CCIDA has supported projects to further assist small business-*related* projects (i.e. **St. Pup Pet Urgent Care.**) and once again proved the merit of establishing its Adaptive Reuse Program, via the support of the vital and key project of the **Allegany Crossings.** The Agency's *Tourism Policy* also came into play in regards to development projects in Ellicottville, related to several key upgrades at **Holiday Valley and HoliMont in 2021.**

In 2021, the CCIDA has continued to modify, change and implement programs and policies to help keep the businesses that are located in the area more competitive in this global market that we live and operate in.

It is to be noted that what is outlined below could not *and* would not have been possible without the direction, guidance and most of all the support, from the **CCIDA Board Members, Staff & the Counsel**. Many thanks as well to all members of the ***County of Cattaraugus Legislature*** for their input, thoughts and support, as it's been invaluable to us and our business community here in the County. We are forever grateful for all of the help and Leadership from the entire Cattaraugus County Legislature with their help in 2021.

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

2021 CCIDA INDUCED PROJECTS *(Private Sector Investment in Cattaraugus County)*:

(1.) Nipperland Properties, LLC.	$1,500,000
(2.) Otto CSG 1, LLC.	$8,500,000
(3.) St. Pup/Enchanted Mountain Veterinary	$500,000
(4.) Walsh Huskies	$660,000
(5.) MJ Painting Contractor Corp.	$1,833,500
(6.) Great Lakes Cheese Co.	$505,000,000
(7.) Pivot Solar, LLC.	$4,677,500
(8.) Win-Sum Ski Corp.	$2,096,875
(9.) Win-Sum Ski. Corp.	$2,096,854
(10.) TimberHut	$250,000
(11.) Allegany Crossings, LLC.	$12,000,000
(12.) HoliMont	$793,685
***Total IDA Inducements/Project (Investment) Amounts:**	**$539,908,414**

2021 Year in Review Highlights

Great Lakes Cheese Co. Project:

The CCIDA was contacted on June 3, 2021 for an initial meeting with Representatives from Great Lakes Cheese Co. along with the owners of the proposed site for an initial meeting to discuss ways that the IDA and County could help the site need of the Company for a proposed 500,000 sq. ft. facility, that would ultimately employ over 429 people. The IDA and the Board of Directors immediately knew that this proposed project was going to be "an all-hands-on deck" project and dedicated literally 7 days a week to this proposed project. It should be stated that without the help and Leadership of the entire Cattaraugus County Legislature, IDA Board and Counsel, Cattaraugus County Real Property Administrators' Office,

Cattaraugus County Attorney's office and the Cattaraugus County Dept. of Economic Development, Planning & Tourism along with the Towns of Farmersville, Franklinville, the Village of Franklinville, the Franklinville School District, Senator George Borrello & NYS Assemblyman Joseph Giglio along with the landowners, this projects announcement that was made on September 15th to pick the site in the Town of Farmersville and Franklinville would never have come to fruition. The IDA is forever grateful and thankful for the Team's work, dedication and help to bring this truly historic investment and project to reality.

Siemens/Dresser-Rand:

It was announced on February 2, 2021 that Siemens (Olean) would be ultimately moving and laying off the current manufacturing operations in Olean affecting 430 employees. The announcement was a blow to the City of Olean and County as a whole. The good news is that Siemens has indicated that they will be keeping roughly 350 "back office" positions in the County/Region and offered current employees the choice to transfer as well.

The IDA has been working very aggressively with our partners, Teammates and Officials to try and recruit a new business/Company to the current site. We are optimistic that this will come to reality sometime in 2022 and our hopes are to continue to grow the County's economic development and employment base by assisting a new Company in the purchase of the Siemen's Campus in Olean, New York.

The CCIDA changed Legal Counsel:

The CCIDA in April of 2021 announced a change with the Agency's General and Bond Counsel. This was a big step as the CCIDA has been with Hodgson Russ for 35 (+,-) years. The CCIDA would like to thank Hodgson Russ and their Partners for all of their help and Leadership that they brought to the CCIDA. The timing was right and the CCIDA feels that Robert Murray with Harris Beach will be an amazing Leader and Teammate. Thus far the working relationship and guidance from Bob and his team has been nothing short of excellent. The CCIDA truly looks forward to working with Bob and his Partners in the years to come to better propel this Agency and the overall investments in Cattaraugus County.

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

- **Updated and Revised our Commercial Solar PILOT**: Due to the ever-increasing number of proposed commercial solar projects in Cattaraugus County, the CCIDA Board saw fit to create a separate PILOT Policy for these proposed projects. With the help and direction of the Board, County Legislature and Counsel, the Agency adopted a Policy that continues to be refined and driven to protect the County, towns and landowners. Since adoption of this policy, the CCIDA has consulted several CCIDA's across the State on how it went about communicating and working with not only developers, but local taxing jurisdictions and landowners to adopt a policy that works. The changes reflect higher dollar amounts on the PILOT's along with a more comprehensive Decommission Policy.

- The Executive director was added to the **WNY Regional Council Work Group for Advanced Manufacturing**. Multiple meetings have been conducted to date with a plan to assist our manufacturing base in WNY.

- **Outreach to Municipalities & Stakeholders:** The CCIDA works hard to meet with as many local municipalities and taxing jurisdictions as a whole, as possible each year.

  The Agency continues to strive to be in touch and contact with our 32 Towns, 9 Villages and 2 Cities and 13 School Districts as much as possible to make them aware of the CCIDA's programs, policies and PILOTS, and how that may affect them. In 2022, the CCIDA will continue to build off of this and continue to reach out.

- Carrying the CCIDA's mission and message will continue to be a paramount endeavor. Whether it's presentations, Letters to The Editor, Public Hearings, etc. In addition, over the past year, the executive director has presented the Agency's message about its benefits at meetings put on by the *Buffalo Niagara Partnership, the IBN, NYSEDC & NYSCAR*, to name a few.

- **Board Member of the Can-Am Council**: The Can-Am Council is comprised of representatives from member companies engaged in cross border commerce and oversees an agenda focused on bi-national relationship-building, joint planning, border advocacy and business-to-business interaction. ***Let's hope 2022 sees a return to our Canadian friends and business owners and trade and tourism return to normal.***

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

- **Created weekly "Stakeholder Blasts":** The Agency created weekly email blasts to clients and associates. These were also posted on our website, and circulated with other Chamber of Commerce's to further get the updates out.

- **Continued "Project in Process" Update to Board Meetings:** The Agency will continue to implement a "Project in Process Update" at each Board meeting to keep the Board and public apprised of how a recent CCIDA induced project is fairing with its development and investment. Projects will continue to be charted, tracked and monitored.
  - Also, the CCIDA will continue to bring in more "industry" guests to meetings to update and present to the Board: Catt. County, STW, ESD, JCC, SBA, etc.

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

  - **Commercial Sites and land:** Working with Cushman and Wakefield to do a complete available site and land directory for the County. Hard copy and e-version to be created. ***There is a new commercial site directory on the website.***

  - The CCIDA has sent in 6 "IBN Site Requests" over the past year to possible outside businesses looking to locate in WNY, trying to lure the perspective business to Cattaraugus County.

- **SNAP Lease (Small Manufacturer's):** Since approving of this program in 2018, the CCIDA continues to improve ways in which we can offer savings to small manufacturers within the County. In 2021, the CCIDA assisted Commercial Company on sales tax abatement on purchases for their small business. This allows a nice savings at a very minimal cost associated to this program. The CCIDA continues to market this to all small manufacturers within the County.

- **Continued outreach and informational presentations to Municipalities:** Over the past year, the CCIDA continued to meet with various impacted taxing jurisdictions to review and discuss the CCIDA's benefits and programs; more specifically how PILOT's "work" and what they truly are. The executive director feels this is a very necessary topic for the CCIDA to be proactive in educating the impacted taxing jurisdictions about the CCIDA and its programs, and how it affects each impacted taxing jurisdiction when the CCIDA is party to a project.

Carrying the mission and message will continue to be a paramount endeavor. Whether it's presentations, Letters to The Editor, Public Hearings, etc. In addition, over the past year the executive director has presented the Agency's message about our benefits at meetings put on by the *Buffalo Niagara Partnership, the IBN, NYSEDC & NYSCAR*, to name a few.

- **NYSCAR:** New York State Commercial Association of Realtors. In 2021, the Executive Director continued to attend the monthly Board meetings, various functions and in July of this year, was asked to present to over 70 Real estate professionals for 45 minutes on various available parcels of land and buildings that are currently available in Cattaraugus County. This is a great group to network and keep active in, as many of the top developers, commercial realtors, and bankers are members in this group.

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

  - **The CCIDA Staff and Board will also be starting a social media platform (Facebook) that will focus on "Cattaraugus County ExPats", who have moved away, in hopes of luring some people back to the County. We will keep this active and will continually update daily/weekly on various highlights, pictures, news stories, etc.**

  - **Commercial Sites and land:** Working with Cushman and Wakefield to do a complete available site and land directory for the County. Hard copy and e-version to be created. ***(Work has begun on this already).***

  - The Executive Director took part in many business networking events and engagements in the WNY Region, focused on economic development.

  - The CCIDA is looking to put on a networking event and meeting with various businesses to highlight the many benefits of opening up a business within the County.

- **Continued CCIDA "Outreach" within County/Region:** Over the past few years, the Executive Director has continued to "spread our message" regarding the various programs and benefits that the CCIDA has regarding economic development projects. He most recently presented to a group of County wide Assessors regarding CCIDA issued PILOT's, in a role of educating on how CCIDA issued PILOT's work and function. Carrying the mission and message will continue to be a paramount endeavor. Whether it's presentations, Letters to The Editor, Public Hearings, etc.,

  In addition, over the past year the Executive Director has presented the Agency's message about the CCIDA's benefits at meetings put on by the *Buffalo Niagara Partnership, IBN, NYSEDC & NYSCAR*, to name a few.

- **Since 2013 the County of Cattaraugus IDA has helped and assisted with the following employment numbers:** ***(*as reported at the time of the Annual Audit & PARIS Reports by Company).***
  - **853- New Jobs Created**
  - **4,326- Jobs Retained**

Further Economic Development Enhancements-Strategies for the CCIDA

- **Workforce Development Initiatives:** The CCIDA will continue to work with continuing education partners (i.e. BOCES, WIB, JCC, SBU, etc.) to continue to connect the private sector and academia to improve workforce numbers within the County. **This effort can also be collaborated with the Northland Training Center in Buffalo, along with JCC's Manufacturing Tech Center.**

- **CCIDA - Buffalo Niagara Partnership "Canada-US Outreach"**: With recent market growth of Canadian companies moving into Western New York to have an American presence, the Executive Director has already begun discussions with BNP in how to capture some of this economic development boom and bring some of it to Cattaraugus County. There is already a captive audience due to the many Canadian visitors who visit Cattaraugus County and the ski resorts. There will be significant resources and time dedicated to this endeavor in trying to lure and attract new companies, new investments and new jobs to the County.

- **Continue to refine and maximize our operations thus reducing expenses:** The goal is to look at ways to effectively minimize our expenses, without hampering the service level of operations, look for ways to reduce waste, postage expenses, copy costs, etc. and continue to look at ways to maximize technology e-mail, etc.

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

(1.) **Over the past 10 years, a newly formed group called *"Cattaraugus County Economic Development Team"*** was formed. This group is comprised with the CCBDC, Southern Tier West, Cattaraugus County, City of Olean-Community Development, Cattaraugus LDC, Cattaraugus County PTAC, WIB, CCIDA, NYSDOL, etc.

(2.) **Meetings are every other Tuesday to discuss various projects, ideas, and ways of assisting each other for the overall betterment of Cattaraugus County**. The CCIDA is fortunate to be a member of this group.

(3.) The "Team" **website** has also been upgraded and enhanced for business clients to go to, to act as a "***virtual one stop***" to help and assist their business needs here in Cattaraugus County. The website's address is as follows: ***http://www.ccbizhelp.com/ &www.investcattaraugus.com***

Creation of "E-Mail Blast" to each Member of the Team when a Client Fills out Need/Request Form on our website: E-Mail notification gets sent out to each Team Member to notify us that a prospective business client is requesting information/help/guidance, etc.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Governmentwide Financial Statements

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

The first of these governmentwide statements is the statement of net position. This is the governmentwide statement of position presenting information that includes all of the Agency's assets, deferred outflows of

resources, liabilities, and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Agency as a whole is improving or deteriorating. In addition to the information provided in this report, an evaluation of the overall economic health of the Agency would extend to other nonfinancial factors, such as the overall economic climate in Cattaraugus County.

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

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

Notes to the Financial Statements

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

Other Information

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

FINANCIAL ANALYSIS OF THE AGENCY AS A WHOLE

As of December 31, 2021, the County of Cattaraugus Industrial Development Agency had a net position of $1,394,937. The following table provides a summary of the Agency's net position as of the years ended December 31, 2021 and 2020.

	Business-Type Activities		
Assets	2021	2020	Variance
Current and Restricted Assets	$ 1,231,606	1,161,667	69,939
Capital Assets	247,180	247,809	(629)
Total Assets	1,478,786	1,409,476	69,310
Deferred Outflows of Resources	148,177	127,554	20,623
Liabilities			
Current Liabilities	39,398	2,105	37,293
Long-Term Liabilities	620	175,874	(175,254)
Total Liabilities	40,018	177,979	(137,961)
Deferred Inflows of Resources	192,008	14,768	177,240
Net Position			
Net Investment in Capital Assets	247,180	247,809	(629)
Unrestricted	1,147,757	1,096,474	51,283
Total Net Position	$ 1,394,937	1,344,283	50,654

The Agency's total assets and deferred outflows of resources increased $89,933 to $1,626,963 at December 31, 2021. The Agency's net investment in capital assets decreased $629 over the prior year.

Total liabilities and deferred inflows of resources increased by $39,279 to $232,026 at December 31, 2021.

The following table provides a summary of the Agency's changes in net position for the years ended 2021 and 2020.

	Business-Type Activities			
	2021	% of Totals	2020	% of Totals
Revenues				
Charges for Services	$ 374,503	97.8%	506,313	97.9%
Other Income	5,023	1.3%	3,084	0.6%
Investment Earnings	3,593	0.9%	7,564	1.5%
Total Revenue	$ 383,119	100.0%	516,961	100.0%
	2021	% of Totals	2020	% of Totals
Expenses				
Personal Services	$ 161,696	48.7%	149,986	41.4%
Contractual Expenses	128,436	38.6%	120,177	33.1%
Employee Benefits	41,704	12.5%	91,799	25.3%
Depreciation Expense	629	0.2%	630	0.2%
Total Expense	332,465	100.0%	362,592	100.0%
Change in Net Position	$ 50,654		154,369	

The Agency's total net position increased $50,654. The following summarizes results of operations for 2021: Operating revenue for the year ended December 31, 2021, was $379,526 which consisted of $374,503 from Charges for Services, and $5,023 from miscellaneous activity.

Net nonoperating revenue was $3,593 which consisted of bank interest.

Operating expenses for the year ended December 31, 2021, were $332,465. There were no nonoperating expenses incurred for the year then ended.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Agency's net investment in capital assets as of December 31, 2021, totaled $247,180. This net investment in capital assets includes land, railroad and leasehold improvements, and equipment. The following table summarizes the change in the Agency's net investment in capital asset.

	2021	2020	Difference
Land	$ 149,299	149,299	-
Improvements	929,373	929,373	-
Furniture and Equipment	38,424	38,424	-
Accumulated Depreciation	(869,916)	(869,287)	(629)
	$ 247,180	247,809	(629)

Long-Term Liabilities

The Agency had net pension liability outstanding of $620 and $175,874 at December 31, 2021 and 2020.

BACKGROUND AND MISSION

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

The Agency serves as a partner with the other various economic development agencies within the County, for retaining and assisting not only those businesses that are already located in Cattaraugus County, but those that want to relocate here as well. Assistance is available for locating potential buildings or building sites for interested companies. Over the past three decades the Agency has assisted over 245 companies with over $1.53 billion in total projects. The Agency has assisted many nonprofit entities as well, including Olean General Hospital, Saint Bonaventure University, and the YMCA; each of which has added to the overall quality of life in Cattaraugus County. The Agency has also assisted companies such as Great Lakes Cheese Co., National Fuel Pipeline, NES Bearings, LLC and MJ Painting Contractor Corp. The Agency has also been very instrumental in the growth of the county's tourism industry by assisting in the financing of tourism destinations such as Holiday Valley and HoliMont.

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

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

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

profitable by offering:

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

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

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

CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT

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

FINANCIAL STATEMENTS

EXHIBIT A

COUNTY OF CATTARAUGUS
INDUSTRIAL DEVELOPMENT AGENCY
STATEMENT OF NET POSITION
AS OF DECEMBER 31, 2021 WITH SUMMARIZED COMPARATIVE 2020 INFORMATION

	IDA	CRC	TOTAL 12/31/2021	TOTAL 12/31/2020
ASSETS				
Unrestricted Cash and Cash Equivalents	281,230	212,145	493,375	428,945
Unrestricted Investments	731,608	-	731,608	728,109
Accounts Receivable	5,273	-	5,273	263
Prepaid Expenses	1,350	-	1,350	4,350
Capital Assets				
Land	149,299	-	149,299	149,299
Improvements	929,373	-	929,373	929,373
Furniture and Equipment	38,424	-	38,424	38,424
Less: Accumulated Depreciation	(869,916)	-	(869,916)	(869,287)
Total Assets	1,266,641	212,145	1,478,786	1,409,476
DEFERRED OUTFLOWS OF RESOURCES				
Pension	148,177	-	148,177	127,554
LIABILITIES				
Payables				
Accounts Payable	29,939	5,000	34,939	-
Accrued Liabilities	4,459	-	4,459	2,105
Long Term Liabilities				
Net Pension Liability	620	-	620	175,874
Total Liabilities	35,018	5,000	40,018	177,979
DEFERRED INFLOWS OF RESOURCES				
Pension	192,008	-	192,008	14,768
NET POSITION				
Net Investment In Capital Assets	247,180	-	247,180	247,809
Unrestricted	940,612	207,145	1,147,757	1,096,474
Total Net Position	$ 1,187,792	$ 207,145	$ 1,394,937	$ 1,344,283

See the accompanying notes to the financial statements.

EXHIBIT B

COUNTY OF CATTARAUGUS
INDUSTRIAL DEVELOPMENT AGENCY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021 WITH SUMMARIZED COMPARATIVE 2020 INFORMATION

	IDA	CRC	TOTAL 12/31/2021	TOTAL 12/31/2020
Operating Revenues				
Charges for Services	$ 369,489	$ 5,014	$ 374,503	$ 506,313
Other Income	5,023	-	5,023	3,084
Total Operating Revenue	374,512	5,014	379,526	509,397
Operating Expenses				
Personal Services	161,696	-	161,696	149,986
Contractual Expenses	123,436	5,000	128,436	120,177
Employee Benefits	41,704	-	41,704	91,799
Depreciation-Unallocated	629	-	629	630
Total Operating Expense	327,465	5,000	332,465	362,592
Operating Income (Loss)	47,047	14	47,061	146,805
Nonoperating Revenues (Expenses)				
Use of Money and Property	3,540	53	3,593	7,564
Unrealized Gain (loss)	-	-	-	-
Realized Gain (loss)	-	-	-	-
Net Nonoperating Revenue	3,540	53	3,593	7,564
Other Financing Sources (uses)				
Transfer In	-	-	-	40,000
Transfer Out	-	-	-	(40,000)
Total Other Financing Sources (uses)	-	-	-	-
Change in Net Position	50,587	67	50,654	154,369
Net Position - Beginning of the Year	1,137,205	207,078	1,344,283	1,189,914
Net Position - End of the Year	$ 1,187,792	$ 207,145	$ 1,394,937	$ 1,344,283

See the accompanying notes to the financial statements.

EXHIBIT C

COUNTY OF CATTARAUGUS
INDUSTRIAL DEVELOPMENT AGENCY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

	Primary Government Business-Type Activities	CRC
Cash Flows From Operating Activities:		
Cash Received From Providing Services	$ 364,479	$ 5,014
Cash Paid to Suppliers	(115,436)	-
Cash Paid for Salaries and Benefits	(219,683)	-
Other Cash Receipts	29,963	-
Net Cash Provided by (Used in) Operating Activities	59,323	5,014
Cash Flows From Capital and Related Financing Activities:		
Transfer In	-	-
Transfer Out	-	-
Net Cash Provided by (Used in) Capital and Related Financing Activities:	-	-
Cash Flows From Investing Activities:		
Investment Income	40	53
Net Cash Provided by (Used in) Investing Activities	40	53
Net Cash and Cash Equivalents Increase (Decrease) for the Year	59,363	5,067
Cash and Cash Equivalents- Beginning of the Year	221,867	207,078
Cash and Cash Equivalents- End of the Year	$ 281,230	$ 212,145
Cash Flows From Operating Activities:		
Operating Income (Loss)	$ 47,047	$ 14
Adjustments:		
Depreciation	629	-
Deferred Outflow of Resources	(20,623)	-
Deferred Inflow of Resources	177,240	-
Changes in Assets and Liabilities:		
Decrease in Prepaid Rent	3,000	-
Increase in Pension Liability	(175,254)	
Decrease in Accounts Receivable	(5,010)	-
Increase in Accounts Payable	29,939	5,000
Decrease in Accrued Liabilities	2,355	-
Net Cash Provided By (Used in) Operating Activities	$ 59,323	$ 5,014
Reconciliation of Unrestricted and Restricted Cash and Cash Equivalents:		
Cash and Cash Equivalents, Unrestricted	$ 281,230	$ 212,145
Total Unrestricted and Restricted Cash and Cash Equivalents	$ 281,230	$ 212,145

See the accompanying notes to the financial statements.

NOTE A - ORGANIZATION

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

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Financial Reporting Entity

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

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

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

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

Governmentwide Financial Statements

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

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

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

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

Estimates

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

Budgetary Policy and Practice

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

Budgetary Control

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

Accounts Receivable and Prepaid Expenses

The Agency had an accounts receivable balance of $5,273 at December 31, 2021.

During the year ended December 31, 2016, the Agency entered into an agreement to rent office space from the Olean Business Development Corporation in Olean New York. The Agency prepaid $15,000 for the Olean rental during the 2016. $3,000 was expensed in 2021 for one year of rent on this office space.

Grant Accounting

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

NOTE C - CASH AND INVESTMENTS

At December 31, 2021, the carrying amount of the Agency's current deposits included demand deposits, savings accounts, and cash on hand and totaled $493,375.

Cash in excess of current requirements is invested in various certificates of deposit totaling $628,576, which have original maturity terms in excess of three months and interest rates varying from 1.05 to 2.25 percent. As of December 31, 2021, the fair value of the certificates of deposit approximates the carrying values. For purposes of cash flows, cash equivalents are certificates of deposit with original maturities of three months or less. The Agency also invested excess cash in a brokerage account with Keybanc Capital Markets. The fair value at December 31, 2021 of this account was $103,032 which was invested in U.S. Treasury Notes and a cash money market account.

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

Collateral is required for demand deposits and certificates of deposit at 100% of all deposits not covered by federal deposit insurance. The table presented below is designed to disclose the level of custody credit risk assumed by the Agency based upon how its deposits were insured or secured with collateral at December 31, 2021. The categories of credit risk are defined as follows:

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

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

Category 3 - Uninsured and uncollateralized.

Type of Deposit	Total Bank Balance	Custody Credit Risk Category 1	2	3	Total Carrying Value
Interest Bearing	$ 1,124,623	1,124,623	-	-	1,121,831
Cash on Hand	-	-	-	-	120
Keybanc Investments	103,032	103,032	-	-	103,032
Total Deposits	$ 1,227,655	$ 1,227,655	$ -	$ -	1,224,983

Reconciliation to the Statement of Net Position:	
Unrestricted Cash and Cash Equivalents	$ 493,375
Investments	731,608
Total	$ 1,224,983

NOTE D - INTEREST RECEIVABLE

As of December 31, 2021, there was no interest receivable.

NOTE E - CAPITAL ASSETS

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

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

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

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

	Balance at 12/31/2020	Additions	Deletions	Balance at 12/31/2021
Nondepreciable:				
Land	$ 149,299	-	-	149,299
Depreciable:				
Improvements	929,373	-	-	929,373
Furniture and Equipment	38,424	-	-	38,424
Subtotal	1,117,096	-	-	1,117,096
Accumulated Depreciation	(869,287)	(629)	-	(869,916)
Total	$ 247,809	(629)	-	247,180

Depreciation expense of $629 for the year ended December 31, 2021, has not been allocated to an expense function. Amounts representing railroad line improvements have been depreciated to salvage value which will be reviewed periodically for reasonableness.

NOTE F - ACCOUNTS PAYABLE AND OTHER LIABILITIES

The Agency reported $34,939 in accounts payable at December 31, 2021.

There was $4,048 in payroll and $411 in payroll related liabilities requiring accrual at December 31, 2021.

NOTE G - LONG TERM LIABILITIES

Notes Payable

As of December 31, 2021, the Agency did not have any notes payable.

Compensated Absences

The Agency's personnel policy provides for vacation and sick leave benefits. Vacation benefits can accumulate up to a total of 20 days. Upon separation from the Agency for any reason, any unused vacation credits are paid at the current salary of the position. Sick leave is not payable upon retirement or termination of the employee. There was no material liability for compensated absences at December 31, 2021. Based on Agency policy, there is no required reporting under the provisions of GASB 75 – *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions.*

NOTE H - INDUSTRIAL REVENUE BOND AND NOTE TRANSACTIONS

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

NOTE I - RAILROAD ACQUISITIONS AND IMPROVEMENTS

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

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

NOTE J - COMMITMENTS AND CONTINGENCIES

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

NOTE K - DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES

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

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

NOTE L - PENSION PLAN

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

a. Provisions and Administration

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

b. Funding Policies

The System is noncontributory except for employees who joined after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 who generally contribute 3.0 to 3.5 percent of their salary for their entire length of service. In addition, employee contribution rates under ERS tier VI vary based on a sliding salary scale. The Comptroller annually certifies the

actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31.

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

	Amount
2021	$ 25,380
2020	$ 23,500
2019	$ 21,901

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

At December 31, 2021, the Agency reported the following liability for its proportionate share of the net pension liability for the System. The net pension liability was measured as of March 31, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The Agency's proportion of the net pension liability was based on a projection of the Agency's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the NYSLRS in a report provided to the Agency.

	NYSLRS
Actuarial Valuation Date	April 1, 2020
Net Pension Liability	620
Agency's Portion of the Plan's total Net Pension Liability	0.0006226%

For the year ended December 31, 2021 the Agency recognized pension expense of $7,977 for NYSLRS. At December 31, 2021, the Agency reported deferred outflows of resources related to the pension plan from the following sources:

	Deferred Outflows Resources		Deferred Inflows Resources	
	2021	2020	2021	2020
Differences between expected and actual experience	$ 7,571	10,351	-	-
Changes of Assumptions	113,988	3,541	2,150	3,058
Net difference between projected and actual earnings on pension investments	-	90,162	178,085	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	-	-	11,773	11,710
Agency's contributions subsequent to the measurement date	26,618	23,500	-	-
Total	$ 148,177	$ 127,554	$ 192,008	$ 14,768

Agency contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending: March 31,:	NYSLRS
2022	(15,415)
2023	(7,317)
2024	(12,052)
2025	(35,665)

d. Actuarial Assumptions

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

	NYSLRS
Measurement Date	March 31, 2021
Actuarial Valuation Date	April 1, 2020
Interest Rate	5.90%
Salary Scale	4.20%
Decrement Tables	April 1, 2010- March 31, 2015 ERS' Experience
Inflation Rate	2.50%

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

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

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

Measurement Date: March 31, 2020	Expected Rate of Return	Target Asset Allocation
Asset Type:		
Domestic equity	4.05%	32%
International equity	6.30%	15%
Private equity	6.75%	10%
Real estate	4.95%	9%
Opportunistic funds	4.50%	3%
Credit	3.63%	4%
Real assets	5.95%	3%
Fixed income	0.00%	23%
Cash	0.50%	1%
		100%

e. Discount Rate

The discount rate used to calculate the total pension liability was 5.90%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the Systems' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the Agency's proportionate share of the net pension liability calculated using the discount rate of 5.90% as well as what the Agency's proportionate share of the net pension asset/liability would be if it were calculated using a discount rate that is 1-percentage point lower (4.90%) or 1-percentage point higher (6.90%) than the current rate:

	NYSLRS		
	1% Decrease 4.90%	Current Assumption 5.90%	1% Increase 6.90%
Employer's Proportionate Share of the Net Pension Liability (Asset)	$ 172,073	620	(157,500)

g. Pension Plan Fiduciary Net Position

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

h. Payables to the Pension Plan

Employer contributions are paid annually based on the System's fiscal year which ends on March 31st. Accrued retirement contributions as of December 31, 2021, represent the projected employer contribution for the period of April 1, 2021, through December 31, 2021, based on paid NYSLRS wages multiplied by the employer's contribution rate, by tier. At December 31, 2021, the Agency reported a payable of $0 to the pension plan.

NOTE M - RESTRICTIONS, RESERVES AND DESIGNATIONS

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

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

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

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

NOTE N - NEW ACCOUNTING STANDARDS

The Agency has adopted all current Statements of the Governmental Accounting Standards Board (GASB) that are applicable. At December 31, 2021, the Agency implemented the following new standards issued by GASB:

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

NOTE O - ACCOUNTING STANDARDS ISSUED BUT NOT YET IMPLEMENTED

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

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

GASB Statement No. 92 – "Omnibus 2021." Effective for the year ending December 31, 2022.

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

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

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

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

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

NOTE P - COVID-19

On January 30, 2021, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2021, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses.

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

NOTE Q - GREAT LAKES CHEESE CO., INC. AGREEMENT

The CCIDA entered into a fee agreement with Great Lakes Cheese Co., Inc. on September 15, 2021. The agreement states Great Lakes Cheese will pay CCIDA a total of $637,500 in three equal annual payments of $212,500 starting March 15, 2022 and ending March 15, 2024.

NORE R - SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 22, 2022, the date on which the financial statements were available to be issued for the purpose of determining whether there were any events or transactions that might require disclosure in these financial statements. No such events or transactions were noted.

REQUIRED SUPPLEMENTARY INFORMATION

COUNTY OF CATTARAUGUS
INDUSTRIAL DEVELOPMENT AGENCY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2021 WITH PRIOR YEARS INFORMATION

	2021	2020	2019	2018	2017	2016
NYSLRS Pension Plan						
Agency's proportion of the net pension liability	0.0006226%	0.0006642%	0.0006841%	0.0007056%	0.0007131%	0.0007382%
Agency's proportionate share of the net pension liability	$ 620	$ 175,874	$ 48,470	$ 22,774	$ 67,000	$ 118,480
Agency's covered-employee payroll	$ 161,695	$ 149,986	$ 148,003	$ 143,813	$ 140,006	$ 137,781
Agency's proportionate share of the net pension liability (asset) as a percentage of it's covered-employee payroll	0.38%	117.26%	32.75%	15.84%	47.86%	85.99%
Plan fiduciary net position as a percentage of the total pension liability	95.6%	96.3%	96.3%	98.2%	94.7%	90.7%

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

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

COUNTY OF CATTARAUGUS
INDUSTRIAL DEVELOPMENT AGENCY
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF AGENCY CONTRIBUTIONS
FOR THE YEAR ENDED DECEMBER 31, 2021 WITH PRIOR YEARS INFORMATION

NYSLRS Pension Plan	2021	2020	2019	2018	2017	2016
Statutorily Required Contributions	$ 25,380	$ 23,500	$ 22,438	$ 21,901	$ 21,594	$ 20,971
Contributions In Relation To Statutorily Required Contributions	25,380	23,500	22,438	21,901	21,594	20,971
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -	$ -
Employer's Covered-Employee Payroll	161,695	149,986	148,003	$ 143,813	$ 140,006	$ 137,781
Contributions As A Percentage of Covered-Employee Payroll	15.70%	15.67%	15.16%	15.23%	15.42%	15.22%

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

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

SUPPLEMENTAL INFORMATION

Schedule 3

COUNTY OF CATTARAUGUS
INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF BONDS
FOR THE YEAR ENDED DECEMBER 31, 2021

Project Name	Project No.	Issue Date	Interest Rate	Maturity Date	Balance at 12/31/2020	Issued During Fiscal Year	Paid During Fiscal Year	Balance at 12/31/2021
CCIDA:								
Cattaraugus Rehabiliation Center, Inc. Intandem	401-0004A	10/03	Variable	6/24	418,759	-	114,135	304,624
Parent Education Program	401-0203A	12/02	4.75	12/22	50,506	-	26,820	23,686
CRC:								
Olean General Hospital	401-0906A	10/10	2.5	10/30	6,725,000	-	1,265,000	5,460,000
Olean YMCA	401-0301A	6/11	4.75	5/21	2,912,779	-	167,740	2,745,039
St. Bonaventure University	401-1401A	5/14	Variable	5/44	8,860,000	-	205,000	8,655,000
St. Bonaventure University	401-2006A	5/16	Variable	5/36	4,680,000	-	330,000	4,350,000
Jamestown Community College	401-9903A	6/18	Variable	6/38	14,741,228	-	489,721	14,251,507

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

COUNTY OF CATTARAUGUS
INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF LEASES ENTERED INTO
FOR THE YEAR ENDED DECEMBER 31, 2021

Name of Project:	**Otto CSGI**
Project Owner and Address:	C&S Companies 9350 Dunkleman Hill Rd Otto, NY 14719
Total amount of project:	$ 8,659,538
Name of Project:	**Win Sum Ski Corporation**
Project Owner and Address:	Win Sum Ski Corporation PO Box 370 Holiday Valley Road Ellicottville, NY 14731
Total amount of project:	$ 2,096,875
Name of Project:	**Win Sum Ski Corporation**
Project Owner and Address:	Win Sum Ski Corporation PO Box 370 Holiday Valley Road Ellicottville, NY 14731
Total amount of project:	$ 2,096,854
Name of Project:	**MJ Painting**
Project Owner and Address:	MJ Painting 350 Franklin St Olean, NY 14760
Total amount of project:	$ 1,833,500
Name of Project:	**Great Lakes Cheese**
Project Owner and Address:	Great Lakes Cheese 8114 Rte 16 Town of Franklinville
Total amount of project:	$ 500,000,000
Name of Project:	**HoliMont inc.**
Project Owner and Address:	HoliMont inc. 6921 Rte 242 W PO Box 279 Ellicottville, NY 14731
Total amount of project:	$ 793,685
Name of Project:	**Allegany Crossings LLC**
Project Owner and Address:	Brian Brogan Jr. 3864 NYS Rte 417 Allegany, NY 14706
Total amount of project:	$ 12,000,000

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

Schedule 5

COUNTY OF CATTARAUGUS
INDUSTRIAL DEVELOPMENT AGENCY
SCHEDULE OF ENTITIES ENTERED INTO PAYMENTS IN LIEU OF TAXES PROGRAM
FOR THE YEAR ENDED DECEMBER 31, 2021

Name of Project:	**Olean Area Federal Credit Union**
Project Owner and Address:	Olean Area Federal Credit Union 1201 Wayne Street Olean, New York
Year of Origination:	2021
Project location:	*1201 Wayne Street, New York*
Name of Project:	**Otto CSG 1 LLC Project**
Project Owner and Address:	Otto CSG 1 LLC Project 555 De Haro Street, Suite 300 San Francisco, California
Year of Origination:	2021
Project location:	*9350 Dunkleman Hill Road Otto, New York*
Name of Project:	**Portville CSG 1 LLC**
Project Owner and Address:	Portville CSG 1 LLC 101 Summer Street, 2nd Floor Boston, Massachusetts
Year of Origination:	2021
Project location:	*2188 S Windfall Road Portville, New York*
Name of Project:	**Worthy Pharmacy, LLC**
Project Owner and Address:	Worthy Pharmacy, LLC 202 Main Street Olean, New York
Year of Origination:	2021
Project location:	*206 Main Street Olean, New York*

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

INTERNAL CONTROLS AND COMPLIANCE

JMA

JOHNSON, MACKOWIAK
& ASSOCIATES, LLP
Certified Public Accountants & Consultants

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the County of Cattaraugus Industrial Development Agency, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the County of Cattaraugus Industrial Development Agency's basic financial statements, and have issued our report thereon dated March 22, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County of Cattaraugus Industrial Development Agency's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Cattaraugus Industrial Development Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the County of Cattaraugus Industrial Development Agency's internal control.

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

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

Compliance and Other Matters

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

70 East Main Street / Fredonia, New York 14063 / 716-672-4770 / Fax 716-679-1512 / jma-cpas.com

Purpose of this Report

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

Johnson, Mackowiak & Associates, LLP

Johnson, Mackowiak & Associates, LLP

Fredonia, New York
March 22, 2022