

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

**Financial Statements as of  
December 31, 2016 and 2015  
Together with  
Independent Auditor's Report**

**Bonadio & Co., LLP**  
Certified Public Accountants

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

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## **INDEPENDENT AUDITOR'S REPORT**

March 8, 2017

To the Board of Directors of the  
County of Monroe Industrial Development Agency:

### **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, New York, as of and for the years ended December 31, 2016 and 2015 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 audits. We conducted our audits 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 the entity'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 the entity'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 opinions.

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## **INDEPENDENT AUDITOR'S REPORT**

(Continued)

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of COMIDA, as of December 31, 2016 and 2015, and the respective changes in financial position, and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of contributions – pension plans, and schedule of proportionate share of the net pension liability (asset) 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 8, 2017 on our consideration of COMIDA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 COMIDA's internal control over financial reporting and compliance.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

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The following Management's Discussion and Analysis (MD&A) of the County of Monroe Industrial Development Agency's (COMIDA) financial position provides an overview of COMIDA's financial activities for the years ended December 31, 2016 and 2015. The MD&A should be read in conjunction with COMIDA's financial statements and related notes, which follow the MD&A.

**FINANCIAL HIGHLIGHTS**

- The assets of COMIDA exceeded its liabilities at December 31, 2016 and 2015 by \$7,124,182 and \$5,022,899, respectively.
- COMIDA's net position increased by \$2,101,283 in 2016 and increased by \$1,025,930 in 2015 as a result of 2016 and 2015 operations.
- COMIDA's total revenues (operating and non-operating) were \$3,484,680 and \$2,429,977 in 2016 and 2015, respectively.
- COMIDA's total expenses were \$1,383,397 and \$1,404,047 in 2016 and 2015, respectively.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

The statements of net position and the statements 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 them from one year to the next. COMIDA's net position, the difference between assets and liabilities, are one way to measure COMIDA's financial health, or financial position. Over time, increases or decreases in COMIDA's net position are one indicator of whether its financial health is improving or deteriorating. Consideration should also be given to other factors, such as changes in COMIDA's fee income and the fluctuation of COMIDA's 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.

## FINANCIAL HIGHLIGHTS

The analysis below summarizes the statements of net position (Table 1) and changes in net position (Table 2) of COMIDA as of and for the years ended December 31, 2016, 2015 and 2014.

**Table 1 - Statements of Net Position (000s omitted)**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
<b>ASSETS</b>			
<b>CURRENT ASSETS:</b>			
Current assets	\$ 7,286	\$ 3,649	\$ 4,014
Assets held for sale	625	1,369	-
Capital assets, net of accumulated depreciation	<u>3</u>	<u>2</u>	<u>2</u>
Total assets	7,914	5,020	4,016
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related-ERS	<u>106</u>	<u>39</u>	-
Total deferred outflows of resources	<u>106</u>	<u>39</u>	-
<b>LIABILITIES</b>			
Current liabilities	790	14	18
Long-term liabilities	<u>93</u>	<u>20</u>	-
Total liabilities	883	34	18
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related-ERS	<u>13</u>	<u>2</u>	-
Total deferred inflows of resources	<u>13</u>	<u>2</u>	-
<b>NET POSITION</b>			
Net investment in capital assets	3	2	2
Unrestricted	<u>7,121</u>	<u>5,021</u>	<u>3,996</u>
Total net position	<u>\$ 7,124</u>	<u>\$ 5,023</u>	<u>\$ 3,998</u>

Cash increased approximately \$3.6 million in 2016 because of operating results for the year. Liabilities increased approximately \$700,000 due to the amount being held in escrow relating to the Medley Centre.

Assets held for sale decreased by \$744,000 in 2016 as COMIDA sold a portion of land purchased in 2014 from the County of Monroe. Deferred outflows of resources increased due to a change in the actuarial values related to pension costs.

In 2015, COMIDA implemented GASB 68 and 71 related to pensions. This new GASB resulted in an initial net pension liability of approximately \$20,000 which has increased to \$93,000 in 2016 due to changes in the amounts reported in the NYSERS pension.

Unrestricted net position, which is the result of these factors, increased approximately \$2,100,000 in 2016 and can be primarily attributed to a number of large projects closing in the current year.

## FINANCIAL HIGHLIGHTS (Continued)

Table 2 shows the changes in net position for the years ended December 31, 2016, 2015 and 2014.

**Table 2 - Changes in Net Position (000s omitted)**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
REVENUES:			
Fee income	\$ 3,242	\$ 2,230	\$ 2,033
PTAC income	186	158	189
Contract reimbursement income	40	38	24
Land income	14	3	-
Interest income	<u>2</u>	<u>2</u>	<u>2</u>
Total revenues	<u>3,484</u>	<u>2,431</u>	<u>2,248</u>
EXPENSES:			
Program and community development	671	760	613
Salaries	243	241	255
Professional services	291	237	212
Payroll taxes and employee benefits	82	61	73
Rent	60	60	60
Travel, meetings and entertainment	8	14	17
Office supplies and postage	9	11	10
Advertising and promotion	2	7	9
Legal notices	10	6	4
Dues and subscriptions	4	4	2
Staff development	2	3	3
Depreciation	<u>1</u>	<u>1</u>	<u>1</u>
Total expenses	<u>1,383</u>	<u>1,405</u>	<u>1,259</u>
CHANGE IN NET POSITION	<u>\$ 2,101</u>	<u>\$ 1,026</u>	<u>\$ 989</u>

Fee income increased approximately \$1,012, or 45%, in 2016. This account is driven by the number of projects which close in the year. The main cause of the increase is due to increased income per project. During 2016 there were 7 projects over \$100 in income totaling \$1,495. In 2015 there were 5 projects over \$100 totaling \$744. PTAC income increased approximately \$28 as PTAC saw an increase in their budget which increased the Department of Defense (DOD) grant income.

Program and community development expenses decreased due to contributions that occurred in the prior year that did not occur in the current year.

## **FUTURE FACTORS**

COMIDA staff will continue to promote IDA benefits to the community as well as prospective tenants as a means to level the playing field for expanding businesses in Monroe County. The IDA offers critical incentives to businesses to insure they expand and grow in New York State and Monroe County.

Since January 31, 2008, COMIDA's fee income has been reduced by the inability to issue civic facility bonds as a result of the enabling State legislation sunset provisions. COMIDA's mission since this time has remained committed to the economic development of the region and therefore has continued to fund these programs at historical amounts. The COMIDA Board feels it is important to support these important community and economic development projects. Each year, the Board and Management evaluate COMIDA's current cash position, projected cash inflows, and community and economic development projects to determine the best use of our economic development initiatives.

## **CONTACTING COMIDA'S ADMINISTRATION**

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of COMIDA's finances and to show the accountability for the money received. If you have questions about this report or need additional financial information, contact the County of Monroe Industrial Development Agency's Executive Director at 50 West Main Street, Suite 8100, Rochester, New York, 14614.

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

**STATEMENTS OF NET POSITION**  
**DECEMBER 31, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
CURRENT ASSETS:		
Cash	\$ 6,530,723	\$ 3,607,973
Funds held for Medley Centre escrow	701,594	-
Fee income receivable	23,427	10,475
PTAC receivable	30,915	31,385
Total current assets	<u>7,286,659</u>	<u>3,649,833</u>
OTHER ASSETS:		
Assets held for sale	625,000	1,369,000
Capital assets, net	2,899	1,613
Total other assets	<u>627,899</u>	<u>1,370,613</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>		
Pension related-ERS	<u>105,931</u>	<u>38,860</u>
Total deferred outflows of resources	<u>105,931</u>	<u>38,860</u>
<b>LIABILITIES</b>		
CURRENT LIABILITIES:		
Accounts payable	75,000	-
Accrued payroll and related expenses	13,728	14,016
Medley Centre escrow held	701,594	-
Total current liabilities	<u>790,322</u>	<u>14,016</u>
LONG-TERM LIABILITIES:		
Net pension liability-ERS	<u>92,891</u>	<u>19,961</u>
Total long-term liabilities	<u>92,891</u>	<u>19,961</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension related-ERS	<u>13,094</u>	<u>2,430</u>
Total deferred inflows of resources	<u>13,094</u>	<u>2,430</u>
<b>NET POSITION</b>		
Net investment in capital assets	2,899	1,613
Unrestricted	<u>7,121,283</u>	<u>5,021,286</u>
Total net position	<u>\$ 7,124,182</u>	<u>\$ 5,022,899</u>

The accompanying notes are an integral part of these statements.

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

**STATEMENTS OF REVENUE, EXPENSES, AND CHANGE IN NET POSITION**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
REVENUES:		
Fee income	\$ 3,242,166	\$ 2,230,239
PTAC income	<u>186,403</u>	<u>157,793</u>
Total revenues	<u>3,428,569</u>	<u>2,388,032</u>
PROGRAM AND COMMUNITY DEVELOPMENT EXPENSES:		
Community development	256,445	349,963
Community development - The Entrepreneurs Network	150,000	150,000
Community development - Greater Rochester Enterprise, Inc.	54,167	50,000
Program support	<u>210,000</u>	<u>210,000</u>
Total program and community development expenses	<u>670,612</u>	<u>759,963</u>
OPERATING EXPENSES:		
Salaries	242,812	240,676
Professional services	291,137	237,287
Payroll taxes and employee benefits	82,318	60,792
Rent	60,000	60,000
Travel, meetings and entertainment	7,822	14,058
Office supplies and postage	8,990	10,968
Advertising and promotion	2,080	6,816
Legal notices	10,404	5,832
Dues and subscriptions	4,045	4,045
Staff development	2,325	2,700
Depreciation	<u>852</u>	<u>910</u>
Total operating expenses	<u>712,785</u>	<u>644,084</u>
Total expenses	<u>1,383,397</u>	<u>1,404,047</u>
Operating income	<u>2,045,172</u>	<u>983,985</u>
NONOPERATING REVENUE:		
Contract reimbursement income	40,015	37,568
Land income	14,554	2,840
Interest income	<u>1,542</u>	<u>1,537</u>
Total nonoperating revenue	<u>56,111</u>	<u>41,945</u>
CHANGE IN NET POSITION	<u>2,101,283</u>	<u>1,025,930</u>
NET POSITION - beginning of year, as previously reported	5,022,899	3,997,798
CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE (NOTE 3)	<u>-</u>	<u>(829)</u>
NET POSITION - beginning of year, as restated	<u>5,022,899</u>	<u>3,996,969</u>
NET POSITION - end of year	<u>\$ 7,124,182</u>	<u>\$ 5,022,899</u>

The accompanying notes are an integral part of these statements.

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

**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	<u>2016</u>	<u>2015</u>
<b>CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Cash received from customers	\$ 3,416,087	\$ 2,367,796
Cash paid to employees for services	(308,895)	(322,429)
Cash paid to suppliers for goods and services	(311,803)	(341,706)
Cash paid for program and community development	<u>(670,612)</u>	<u>(759,963)</u>
Net cash flow from operating activities	<u>2,124,777</u>	<u>943,698</u>
<b>CASH FLOW FROM NONCAPITAL FINANCING ACTIVITIES:</b>		
Cash received from contract reimbursement income	<u>40,015</u>	<u>37,568</u>
Net cash flow from noncapital financing activities	<u>40,015</u>	<u>37,568</u>
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Purchase of assets held for sale	-	(1,369,000)
Sale of asset held for sale	744,000	-
Purchases of capital assets	<u>(2,138)</u>	<u>(584)</u>
Net cash flow from capital and related financing activities	<u>741,862</u>	<u>(1,369,584)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES:</b>		
Land income	14,554	2,840
Interest income	<u>1,542</u>	<u>1,537</u>
Net cash flow from investing activities	<u>16,096</u>	<u>4,377</u>
<b>CHANGE IN CASH</b>	<b>2,922,750</b>	<b>(383,941)</b>
CASH - beginning of year	<u>3,607,973</u>	<u>3,991,914</u>
CASH - end of year	<u><u>\$ 6,530,723</u></u>	<u><u>\$ 3,607,973</u></u>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES:</b>		
Operating income	\$ 2,045,172	\$ 983,985
Adjustments to reconcile operating income to net cash flow from operating activities -		
Depreciation	852	910
Changes in:		
Deferred inflows/outflows of resources	(56,407)	(36,430)
Fee income receivable	(12,952)	4,663
PTAC receivable	470	(24,899)
Accounts payable	75,000	-
Net pension liability - ERS	72,930	19,132
Accrued payroll and related expenses	<u>(288)</u>	<u>(3,663)</u>
Net cash flow from operating activities	<u><u>\$ 2,124,777</u></u>	<u><u>\$ 943,698</u></u>

The accompanying notes are an integral part of these statements.

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

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2016 AND 2015**

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**1. FINANCIAL REPORTING ENTITY**

On June 6, 1972, the County of Monroe Industrial Development Agency (COMIDA) was established by a special act of the County Legislature under the New York State Industrial Development Act of 1969. 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, New York (County of Monroe) and is a New York State not-for-profit public benefit corporation.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**

COMIDA's financial statements are prepared in conformity with accounting principles generally accepted in the United States as set forth by the Governmental Accounting Standards Board (GASB) for proprietary funds.

**Basis of Presentation**

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

- 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 borrowings that are attributable to the acquisition, construction, or improvement of those assets, if applicable. 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.
- 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, 2016 and 2015, COMIDA has no restricted net position.
- 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 they are needed.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Nature of Activities**

COMIDA administers programs that assist local businesses in obtaining long-term financing for property and equipment. COMIDA accomplishes this 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.

- *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.

- *Industrial Development Bonds*

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

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

As of December 31, 2016, there were 19 series of Industrial Development Bonds outstanding with an approximate aggregate amount payable of approximately \$368 million.

### **Related Parties**

COMIDA is related through common managerial and operational personnel and common Board of Directors members with several organizations involved in promoting economic development in the County of Monroe. These related organizations include Monroe County Industrial Development Corporation and Greater Rochester Outdoor Sports Facility Corporation. COMIDA also works together with other organizations related to the County of Monroe to promote economic development.

### **Cash**

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

### **Accounts Receivable**

Accounts receivable are shown gross, with uncollectible amounts recognized under the direct write-off method. Generally accepted accounting principles require the use of the allowance method for recording bad debts. However, the use of the direct write-off method is not materially different from the results that would be 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 account is written-off.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### **Capital Assets**

Assets purchased or acquired with a useful life exceeding one year and have an original cost in excess of \$1,500 are capitalized. Contributed 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.

### **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.

### **Deferred Outflows and Inflows of Resources**

In addition to assets and liabilities, the Statement of Net Position will sometimes report a separate section for deferred outflows/inflows of resources. The 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. The separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until then.

### **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.

### **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.

### **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; as the board determinations, when made, are merely budgetary in nature. Actual payments are based on COMIDA operating results.

### **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 95-48, 1992 C.C 418 as a governmental unit or affiliate of a governmental unit as described in the procedure.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

## 3. CUMULATIVE EFFECT OF CHANGE IN ACCOUNTING PRINCIPLE

COMIDA adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27 and GASB Statement No. 71*. Statement No. 68 and Statement No. 71 establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through pension plans that are covered by the scope of Statement No. 68 and Statement No. 71, as well as for non-employer governments that have a legal obligation to contribute to those plans. Accordingly, Beginning Net Position and Net Pension Liability (Asset) on the Statement of Net Position were adjusted as noted in the following table:

	Statement of Net Position		
	Net Pension Liability	Deferred Outflows	Net Position
Balance at December 31, 2014, as previously reported	\$ -	\$ -	\$ 3,997,798
Restatement of beginning balance - Adoption of GASB Statements No. 68 and No. 71			
Contributions subsequent to measurement date	-	25,872	25,872
NYS Employees' Retirement System Plan	(26,701)	-	(26,701)
	<u>(26,701)</u>	<u>25,872</u>	<u>(829)</u>
Balance at December 31, 2014, as restated	<u>\$ (26,701)</u>	<u>\$ 25,872</u>	<u>\$ 3,996,969</u>

## 4. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS

### 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.

#### 4. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (Continued)

##### **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.

##### **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:

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

##### **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:

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

#### 4. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS (Continued)

##### Cash

At December 31, 2016 and 2015, 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:

	<u>2016</u>		<u>2015</u>	
	<u>Bank Balance</u>	<u>Carrying Amount</u>	<u>Bank Balance</u>	<u>Carrying Amount</u>
Demand deposits	\$5,189,579	\$5,259,329	\$1,701,335	\$1,636,528
Time deposits	<u>1,973,050</u>	<u>1,972,925</u>	<u>1,971,570</u>	<u>1,971,445</u>
Total	<u>\$7,162,629</u>	<u>\$7,232,254</u>	<u>\$3,672,905</u>	<u>\$3,607,973</u>

These deposits were insured or collateralized as follows:

	<u>2016</u>	<u>2015</u>
FDIC insurance	\$ 500,000	\$ 500,000
Collateralized by third party	<u>6,795,882</u>	<u>3,236,632</u>
Total FDIC insurance and collateral	<u>\$ 7,295,882</u>	<u>\$ 3,736,632</u>

#### 5. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2016 was as follows:

	<u>Balance January 1</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance December 31</u>
Capital assets being depreciated:				
Office equipment	\$ 26,825	\$ 2,138	\$ -	\$ 28,963
Furniture and fixtures	<u>8,308</u>	<u>-</u>	<u>-</u>	<u>8,308</u>
Total capital assets being depreciated	<u>35,133</u>	<u>2,138</u>	<u>-</u>	<u>37,271</u>
Less accumulated depreciation for:				
Office equipment	(26,084)	(447)	-	(26,531)
Furniture and fixtures	<u>(7,436)</u>	<u>(405)</u>	<u>-</u>	<u>(7,841)</u>
Total accumulated depreciation	<u>(33,520)</u>	<u>(852)</u>	<u>-</u>	<u>(34,372)</u>
Capital assets, net	<u>\$ 1,613</u>	<u>\$ 1,286</u>	<u>\$ -</u>	<u>\$ 2,899</u>

## 5. CAPITAL ASSETS (Continued)

Capital asset activity for the year ended December 31, 2015 was as follows:

	Balance <u>January 1</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>December 31</u>
Capital assets being depreciated:				
Office equipment	\$ 26,825	\$ -	\$ -	\$ 26,825
Furniture and fixtures	<u>7,724</u>	<u>584</u>	<u>-</u>	<u>8,308</u>
Total capital assets being depreciated	<u>34,549</u>	<u>584</u>	<u>-</u>	<u>35,133</u>
Less accumulated depreciation for:				
Office equipment	(25,463)	(621)	-	(26,084)
Furniture and fixtures	<u>(7,147)</u>	<u>(289)</u>	<u>-</u>	<u>(7,436)</u>
Total accumulated depreciation	<u>(32,610)</u>	<u>(910)</u>	<u>-</u>	<u>(33,520)</u>
Capital assets, net	<u>\$ 1,939</u>	<u>\$ (326)</u>	<u>\$ -</u>	<u>\$ 1,613</u>

## 6. ASSETS HELD FOR SALE

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, 2016, COMIDA owns 52.02 acres of land currently valued at \$625,000 after a portion of the land was sold during the current year.

## 7. PENSION PLAN

### New York State Employees' Retirement System (NYSERS)

COMIDA participates in the New York State and Local Employees' Retirement System (ERS) also referred to as New York State and Local Retirement System (the NYSERS). This is a cost-sharing multiple-employer retirement system, providing retirement benefits as well as death and disability benefits. The net position of the NYSERS is held in the New York State Common Retirement Fund (the Fund), established to hold all net position and record changes in plan net position allocated to the NYSERS. The NYSERS benefits are established under the provisions of the New York State Retirement and Social Security Law (NYS RSSL). Once an employer elects to participate in the NYSERS, 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, including information with regard to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://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, NY 12244.

## 7. PENSION PLAN (Continued)

### New York State Employees' Retirement System (NYSERS) (Continued)

The NYSERS is noncontributory except for employees who joined the NYSERS after July 27<sup>th</sup>, 1976, who contribute 3.0% 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% percent of their salary for their entire length 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 NYSERS' fiscal year ending March 31. Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

2016	\$	23,878
2015	\$	34,754
2014	\$	25,872

### **Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions**

At December 31, 2016, COMIDA reported a net pension liability of \$92,891 for its proportionate share of the NYSERS net pension liability. The net pension liability was measured as of March 31, 2016, and the total pension liability used to calculate the net pension liability was determined by the 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, 2016, COMIDA's proportion was .0005787%, which was a decrease of .0000122% from its proportionate share measured at December 31, 2015.

At December 31, 2015, COMIDA's proportion was .0005909%, which was an increase of 0% from its proportionate share measured at December 31, 2014.

For the year ended December 31, 2016, COMIDA recognized pension expense of \$54,473. At December 31, 2016, COMIDA reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ 469	\$ 11,011
Changes in Assumptions	24,771	-
Net difference between projected and actual earnings on pension plan investments	55,108	-
Changes in proportion and differences between COMIDA's contributions and proportionate share of contributions	7,675	2,083
Contributions subsequent to the measurement date	17,908	-
Total	<u>\$ 105,931</u>	<u>\$ 13,094</u>

**7. PENSION PLAN (Continued)**

New York State Employees' Retirement System (NYSERS) (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)**

For the year ended December 31, 2015, COMIDA recognized pension expense of \$16,659. At December 31, 2015, COMIDA reported deferred outflows/inflows of resources related to pensions from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Differences between expected and actual experience	\$ 639	\$ -
Net difference between projected and actual earnings on pension plan investments	3,467	-
Changes in proportion and differences between the District's contributions and proportionate share of contributions	-	2,430
Contributions subsequent to the measurement date	34,754	-
Total	<u>\$ 38,860</u>	<u>\$ 2,430</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>2016</u>		<u>2015</u>	
Plan's Year Ended March 31:		Plan's Year Ended March 31:	
2017	\$ 18,832	2016	\$ 419
2018	18,832	2017	419
2019	18,832	2018	419
2020	18,433	2019	419
2021	-	2020	-
Thereafter	-	Thereafter	-
	<u>\$ 74,929</u>		<u>\$ 1,676</u>

In 2016, COMIDA recognized \$17,909 as deferred outflow of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2016 which will be recognized a reduction of the net pension liability in the year ended December 31, 2017.

In 2015, COMIDA recognized \$34,754 as deferred outflow of resources related to pensions resulting from contributions made subsequent to the measurement date of March 31, 2015 which will be recognized a reduction of the net pension liability in the year ended December 31, 2016.

**Actuarial Assumptions**

The total pension liability at March 31, 2016 was determined by using an actuarial valuation as of April 1, 2015, with update procedures used to roll forward the total pension liability to March 31, 2016. The total pension liability for the March 31, 2015 measurement date was determined by using an actuarial valuation as of April 1, 2015.

## 7. PENSION PLAN (Continued)

### New York State Employees' Retirement System (NYSERS) (Continued)

#### **Actuarial Assumptions (Continued)**

The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.50%
Salary scale	3.8% indexed by service
Projected COLAs	1.3% compounded annually
Decrement	Developed from the Plan's 2015 experience study of the period April 1, 2010 through March 31, 2015
Mortality improvement	Society of Actuaries Scale MP-2014
Investment Rate of Return	7.0% compounded annually, net of investment expenses

The total pension liability at March 31, 2015 was determined by using an actuarial valuation as of April 1, 2014, with update procedures used to roll forward the total pension liability to March 31, 2015. The total pension liability for the March 31, 2014 measurement date was determined by using an actuarial valuation as of April 1, 2014.

The actuarial valuation used the following actuarial assumptions:

Actuarial cost method	Entry age normal
Inflation	2.70%
Salary scale	4.9% indexed by service
Projected COLAs	1.4% compounded annually
Decrement	Developed from the Plan's 2010 experience study of the period April 1, 2005 through March 31, 2010
Mortality improvement	Society of Actuaries Scale MP-2014
Investment Rate of Return	7.5% compounded annually, net of investment expenses

#### **Long-term Rate of Return**

In 2016 the long-term expected 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 return, net of investment expenses 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 the target asset allocation percentage and by adding expected inflation.

In 2015 the long-term expected rate of return on pension plan investments was determined in accordance with Actuarial Standard of practice (ASOP) No. 27, Selection of Economic Assumptions for Measuring Pension Obligations. ASOP No. 27 provides guidance on the selection of an appropriate assumed investment rate of return. Consideration was given to expected future real rates of return (expected returns, net of pension plan investment expense and inflation) for equities and fixed income as well as historical investment data and plan performance.

## 7. PENSION PLAN (Continued)

### New York State Employees' Retirement System (NYSERS) (Continued)

#### Long-term Rate of Return (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2016 and 2015 are summarized below:

Asset Type	Target Allocations in %	Long-Term expected real rate of return in %
Domestic Equity	38	7.30
International Equity	13	8.55
Private Equity	10	11.00
Real Estate	8	8.25
Absolute Return	3	6.75
Opportunistic Portfolio	3	8.60
Real Asset	3	8.65
Bonds & Mortgages	18	4.00
Cash	2	2.25
Inflation-Indexed Bonds	2	4.00
	<u>100%</u>	

#### Discount Rate

The discount rate used to calculate the total pension liability in 2016 was 7.0%. 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 Plan's 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.

The discount rate used to calculate the total pension liability in 2015 was 7.5%. 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 Plan's 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.

#### 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 for 2016 calculated using the discount rate of 7.0%, as well as what COMIDA's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.0%) or 1% higher (8.0%) than the current rate:

	1% Decrease <u>6.00%</u>	Current Discount <u>7.00%</u>	1% Increase <u>8.00%</u>
Proportionate Share of Net Pension liability (asset)	\$ <u>209,462</u>	\$ <u>92,891</u>	\$ <u>(5,607)</u>

**7. PENSION PLAN (Continued)**

New York State Employees' Retirement System (NYSERS) (Continued)

**Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption (Continued)**

The following presents COMIDA's proportionate share of the net pension liability for 2015 calculated using the discount rate of 7.5%, as well as what COMIDA's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% lower (6.5%) or 1% higher (8.5%) than the current rate:

	1% Decrease <u>6.50%</u>	Current Discount <u>7.50%</u>	1% Increase <u>8.50%</u>
Proportionate Share of Net Pension liability (asset)	\$ 133,052	\$ 19,961	\$ (75,515)

**Pension Plan Fiduciary Net Position (000's)**

The components of the current-year net pension liability of the employers as of March 31, 2016 and 2015, respectively, were as follows:

	<u>2016</u>	<u>2015</u>
Total pension liability	\$ 172,303,544	\$ 164,591,504
Net position	<u>(156,253,265)</u>	<u>(161,213,259)</u>
Net pension liability (asset)	<u>\$ 16,050,279</u>	<u>\$ 3,378,245</u>
ERS net position as a percentage of total pension liability	90.70%	97.90%

**8. 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, 2016 and 2015, the value of the Plan was \$171,781 and \$152,385, respectively.

Benefits paid from the Plan consist of retirement benefits, certain hardship withdrawals and loans to participants as applicable. Participants should refer to the Plan's document for a complete description of the Plan's provisions. That report may be obtained by writing to the New York State Deferred Compensation Plan, 110 State Street, Albany, NY 12244.

**9. 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, 2016 and 2015, respectively, COMIDA recognized PTAC income of \$186,403 and \$157,793 and corresponding expenses recorded in accordance with their natural classifications in the accompanying statements of revenue, expenses, and change in net position.

## 10. COMMITMENTS

### **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 COMIDA provided \$150,000 in funding to this organization in 2016 and 2015. COMIDA expects to contribute \$150,000 to TEN in 2017.

### **Community Development (Continued)**

In 2009, COMIDA entered into an agreement with a separate non-profit organization to promote local and economic development efforts. In 2016 and 2015, amounts contributed to this organization were \$50,000. COMIDA expects to contribute \$50,000 to this organization in 2017.

### **Management Services - Related Party**

Annually, COMIDA enters into an agreement with the County of Monroe for administrative support and facilities provided to COMIDA. The agreement required a payment in the amount of \$270,000 for both 2016 and 2015, respectively. COMIDA expects to pay \$270,000 for these services in 2017.

## 11. RELATED PARTIES

COMIDA is the sole corporate member of the Greater Rochester Outdoor Sports Facility Corporation (the Company), a New York corporation formed to acquire and operate real and personal property for the economic benefit of the people in the County of Monroe and Rochester, New York area. The primary activity of the Company is the operation of a sports stadium in Rochester, New York, known as Frontier Field which is used for the recreation, entertainment, amusement and benefit of the citizens of the County of Monroe. There were no amounts recognized in the 2016 or 2015 financial statements for transactions related to the Company.

In 2015, 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 \$40,000 worth of services each year for the next three years. For the year ended December 31, 2016 and 2015, the Corporation paid cash of approximately \$40,000 and \$37,500, respectively to COMIDA under the terms of this agreement.

## 12. ACCOUNTING PRONOUNCEMENTS ISSUED NOT YET IMPLEMENTED

In June 2015, the GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68* and amends certain provisions of Statement No. 67 *Financial Reporting for Pension Plans*. The objective of this Statement is to improve the usefulness of information about pensions included in general purpose external financial reports of state and local governments for making decisions and accessing accountability. This Statement establishes requirements for defined contribution plans and defined benefit pensions not within the scope of Statement 68, *Accounting and Financial Reporting for Pensions*, as well as, assets accumulated for the purpose of providing for those pensions. Statement 73 also clarifies the application of certain provisions of Statements 67 and 68 with regards to information required to be presented in the notes, accounting and financial information reporting for separately financed specific liabilities and the timing of employer recognition of revenue for the support of nonemployer contributing entities not in a special funding situation. COMIDA is required to adopt the provisions of this Statement for the year ending December 31, 2017.

In March 2016, GASB issued Statement No. 82, *Pension Issues-An Amendment of GASB Statements No. 67, Financial Reporting for pension Plans, No. 68, Accounting and Financial Reporting for Pensions, and No. 73 Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The Statement addresses issues related to the presentation of payroll related measures in required supplementary information, selection of assumptions and the treatment of deviations and classification of payments made by employers to meet employee contribution requirements. The Statement takes effect for reporting periods beginning after June 15, 2016, except for the requirements of this standard for the selection of assumptions when COMIDA's pension liability is measured as of a date other than their most recent fiscal year-end. In that case, the requirements for selection of assumptions are effective for the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. Earlier adoption is encouraged.

COMIDA has not assessed the impact of these statements on its future financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION  
(UNAUDITED)**

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

**SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY (ASSET) - UNAUDITED**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN										
Proportion of the net pension liability (asset)	0.00058%	0.00059%								
Proportionate share of the net pension liability (asset)	\$93	\$20								
Covered-employee payroll	\$152	\$180								
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	61.18%	11.11%								
Plan fiduciary net position as a percentage of the total pension liability (asset)	90.70%	97.90%								

Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.

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

**SCHEDULE OF CONTRIBUTIONS - PENSION PLANS - UNAUDITED**  
**FOR THE YEARS ENDED DECEMBER 31, 2016 AND 2015**

	Last 10 Fiscal Years (Dollar amounts displayed in thousands)									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
<b>NEW YORK STATE EMPLOYEES' RETIREMENT SYSTEM PLAN</b>										
Contractually required contribution	\$ 24	\$ 35								
Contributions in relation to the contractually required contribution	24	35								
Contribution deficiency (excess)	\$ -	\$ -								
Covered-employee payroll	\$152	\$180								
Contributions as a percentage of covered-employee payroll	15.79%	19.44%								

Information for the periods prior to implementation of GASB 68 is unavailable and will be completed for each year going forward as they become available.

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

March 8, 2017

To the Board of Directors of  
County of Monroe Industrial Development Agency:

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 (COMIDA), a discretely presented component unit of the County of Monroe, New York, as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise COMIDA's basic financial statements, and have issued our report thereon dated March 8, 2017.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered COMIDA'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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of COMIDA's internal control. Accordingly, we do not express an opinion on the effectiveness of COMIDA'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.

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(Continued)

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

(Continued)

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether COMIDA'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 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.