

REPORT TO THE BOARD OF DIRECTORS

CANANDAIGUA LOCAL DEVELOPMENT CORPORATION

DECEMBER 31, 2020

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March 26, 2021

Members of the Board of Directors
Canandaigua Local Development Corporation
113 South Main Street
Canandaigua, New York 14424

Members of the Board:

We are pleased to present this report related to our audit of the financial statements of the Canandaigua Local Development Corporation, New York, and (the Corporation) for the year ended December 31, 2020. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Corporation's financial reporting process.

This report is intended solely for the information and use of the Board of Directors and management and is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have regarding this report. We appreciate the opportunity to be of service to the Corporation.

Very truly yours,

Freed Maxick CPAs, P.C.

Freed Maxick CPAs, P.C.

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Required Communications

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication with Those Charged with Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area	Comments
Our Responsibilities with Regard to the Financial Statement Audit	Our responsibilities under auditing standards generally accepted in the United States of America and <i>Government Auditing Standards</i> issued by the Comptroller General of the United States have been described to you in our arrangement letter dated January 11, 2021. Our audit of the financial statements does not relieve management or those charged with governance of their responsibilities which are also described in that letter.
Overview of the Planned Scope and Timing of the Financial Statement Audit	We have issued a separate communication regarding the planned scope and timing of our audit and have discussed with you our identification of and planned audit response to significant risks of material misstatement.
Accounting Policies and Practices	Preferability of Accounting Policies and Practices Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice. Adoption of, or Change in, Accounting Policies Management has the ultimate responsibility for the appropriateness of the accounting policies used by the Corporation. In the current year, the Corporation implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 95, <i>Postponement of Effective Dates of Certain Authoritative Guidance</i> .
	Significant or Unusual Transactions We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.
	Management's Judgments and Accounting Estimates Management has not disclosed nor are we aware of any accounting estimates that were used in the preparation of the financial statements.
Basis of Accounting	The financial statements were prepared on assumption that the entity will continue as a going concern.
Audit Adjustments	There were no audit adjustments made to the original trial balance presented to us to begin our audit.

Required Communications (Continued)

Uncorrected Misstatements

We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

Disagreements with Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audits, or significant disclosures to be included in the financial statements.

Consultations with Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Significant Issues Discussed with Management

No significant issues arising from the audits were discussed or were the subject of correspondence with management.

Significant Difficulties Encountered in Performing the Audit

We did not encounter any significant difficulties in dealing with management during the audit.

Significant Written Communication Between Management and Our Firm

A copy of the representation letter provided to us by management, is attached as Exhibit B.

Recently Issued Accounting Standards

The GASB has issued several statements not yet implemented by the Corporation. The Corporation's management has not yet determined the effect this Statement will have on the Corporation's financial statements. However, the Corporation plans to implement all standards by the required dates. The Statement which might impact the Corporation is as follows:

Summary of GASB Statement No. 87, *Leases*

This Statement issued in June 2017 will be effective for the Corporation with its fiscal year ending December 31, 2022. This Statement better meets the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provision of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged.

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EXHIBIT A - SIGNIFICANT WRITTEN COMMUNICATIONS
BETWEEN MANAGEMENT AND OUR FIRM

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**CANANDAIGUA LOCAL DEVELOPMENT CORPORATION
113 SOUTH MAIN STREET
CANANDAIGUA, NEW YORK 14424**

March 26, 2021

Freed Maxick CPAs, P.C.
One Evans Street
Batavia, New York 14020

This representation letter is provided in connection with your audit of the financial statements of the Canandaigua Local Development Corporation (the Corporation) as of and for the years ended December 31, 2020 and 2019 for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves, that as of the date of the auditor's report:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit arrangement letter dated January 11, 2021, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Related-party transactions have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. Types of related party transactions engaged by the Corporation include:
 - a. Those with other organizations for which the nature and significance of their relationships with the Corporation are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete including accounts receivable and payable, sale and purchase transactions, leasing and shared-service arrangements
5. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as amended.
6. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
7. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
8. The following have been properly recorded and/or disclosed in the financial statements:
 - a. Risk disclosures associated with deposit and investment securities are presented in accordance with GASB requirements. Deposits and investment securities category of custodial credit risk.
 - b. Expenses have been appropriately classified in in the statement of activities.
 - c. Revenues are appropriately classified in the statement of activities within general revenues.

- d. All significant estimates and material concentrations known to management which are required to be disclosed.
 - e. The effect on the financial statements of GASB Pronouncements, which have been issued, but which we have not yet adopted.
9. We have no direct or indirect, legal or moral obligation for any debt of any organization, public or private that is not disclosed in the financial statement.
10. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance. In connection therewith, we specifically represent that we are responsible for determining that we are not subject to the requirements of the Single Audit Act because we have not received, expended or otherwise been the beneficiary of the required amount of federal awards during the period of this audit
11. We have no knowledge of any uncorrected misstatements in the financial statements.

Information Provided

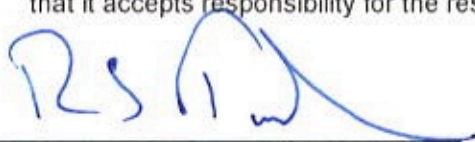
12. We have provided you with:
- a. Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation, and other matters;
 - b. Additional information that you requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d. Minutes of the meetings of the governing board and committees of board members, or summaries of actions of recent meetings for which minutes have not yet been prepared.
13. All transactions have been recorded in the accounting records and are reflected in the financial statements.
14. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.
15. It is our responsibility to establish and maintain internal control over financial reporting. One of the components of internal control is risk assessment. We hereby represent that our risk assessment process includes identification and assessment of risks of material misstatement due to fraud. We have shared with you our fraud risk assessment, including a description of the risks, our assessment of the magnitude and likelihood of misstatements arising from those risks, and the controls that we have designed and implemented in response to those risks.
16. We have no knowledge of allegations of fraud or suspected fraud, affecting the Corporation's financial statements involving:
- a. Management.
 - b. Employees who have significant roles in the internal control.
 - c. Others where the fraud could have a material effect on the financial statements.
17. We have no knowledge of any allegations of fraud or suspected fraud affecting the Corporation's financial statements received in communications from employees, former employees, analysts, regulators, short sellers, or others.
18. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations.
19. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements .
20. We have disclosed to you the identity of the Corporation's related parties and all the related-party relationships and transactions of which we are aware.

21. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the Corporation's ability to record, process, summarize, and report financial data.
22. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
23. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been reflected. Accordingly, copies of such records in your possession are no longer needed by us.

Compliance Considerations

In connection with your audit, conducted in accordance with *Government Auditing Standards*, we confirm that management:

1. Is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework.
2. Is responsible for compliance with the laws, regulations and provisions of contracts and grant agreements applicable to the auditee.
3. Is aware of no instances that have occurred, or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
4. Is aware of no instances that have occurred, or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that have a material effect on the determination of financial statement amounts.
5. Is aware of no instances that have occurred, or are likely to have occurred, of waste or abuse that could be quantitatively or qualitatively material to the financial statements.
6. Is responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
7. Acknowledges its responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud.
8. Has a process to track the status of audit findings and recommendations.
9. Has identified for the auditor previous audits, attestation engagements and other studies related to the audit objectives and whether related recommendations have been implemented.
10. Acknowledges its responsibilities as it relates to non-audit services performed by the auditor, including a statement that it assumes all management responsibilities; that it oversees the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge or experience; that it evaluates the adequacy and results of the services performed; and that it accepts responsibility for the results of the services.



Robert Taylor, Treasurer

March 26, 2021

Freed Maxick CPAs, P.C.
424 Main Street, Suite 800
Buffalo, New York 14202

In connection with your examination of Canandaigua Local Development Corporation's (CLDC) compliance with the New York State Comptroller's Investment Guidelines for Public Authorities and Section 2925 of the New York State Public Authorities Law (collectively, the "Investment Guidelines") during the period of January 1, 2020 through December 31, 2020, in accordance with attestation standards established by the American Institute of Certified Public Accountants, we confirm, to the best of our knowledge and belief, the following representations made to you during the course of your engagement:

1. We are responsible for CLDC's compliance with the Investment Guidelines.
2. We are responsible for establishing and maintaining effective internal control over the CLDC's compliance with the Investment Guidelines.
3. We have performed an evaluation of the CLDC's compliance with the Investment Guidelines. Based on our evaluation, the CLDC has complied with the Investment Guidelines during the period of January 1, 2020 through December 31, 2020 based on the criteria referred to under New York State Comptroller's Investment Guidelines for Public Authorities and Section 2925 of the New York State Public Authorities Law.
4. There has been no known noncompliance with the Investment Guidelines during the period January 1, 2020 through December 31, 2020 or through the date of this letter.
5. There are no known communications from regulatory agencies, internal auditors, or other practitioners concerning the CLDC's possible noncompliance with the Investment Guidelines received by us during the period January 1, 2020 through December 31, 2020 or through the date of this letter.
6. We have made available to you documentation related to the CLDC's compliance with the Investment Guidelines.
7. There has been no knowledge of fraud or suspected fraud affecting the entity involving:
 - a. Management.
 - b. Employees who have significant roles in internal control.
 - c. Others where fraud could have a material effect on the CLDC's compliance with the Investment Guidelines.
8. We acknowledge our responsibility for the design and implementation of programs and controls to provide reasonable assurance that fraud is prevented and detected.
9. We have no knowledge of any allegations of fraud or suspected fraud affecting the CLDC received in communications from employees, former employees, analysts, regulators, short sellers or others.
10. We have responded fully to all inquiries made to us by you during your engagement.

**AUDITED
FINANCIAL STATEMENTS**

**CANANDAIGUA LOCAL DEVELOPMENT
CORPORATION**

DECEMBER 31, 2020

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**CANANDAIGUA LOCAL DEVELOPMENT CORPORATION
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INDEPENDENT AUDITOR'S REPORT

The Board of Directors of the
Canandaigua Local Development Corporation
Canandaigua, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the Canandaigua Local Development Corporation (the Corporation), as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Corporation'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 Corporation'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 Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Corporation as of December 31, 2020 and 2019, and the changes in its financial position and its cash flows thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the Corporation elected to change from the cash basis method of accounting to the accrual basis in 2020. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2021 on our consideration of the Corporation'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 Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.

Freed Maxick CPAs, P.C.

Batavia, New York
March 26, 2021

CANANDAIGUA LOCAL DEVELOPMENT CORPORATION
STATEMENTS OF NET POSITION
DECEMBER 31,

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash	\$ 33,332	\$ 100,000
Certificate of deposit	<u>101,075</u>	<u>-</u>
Total assets	<u>\$ 134,407</u>	<u>\$ 100,000</u>
LIABILITIES		
Accounts payable	\$ 9,039	\$ -
Total liabilities	<u>9,039</u>	<u>-</u>
NET POSITION		
Unrestricted	<u>125,368</u>	<u>100,000</u>
Total net position	<u>125,368</u>	<u>100,000</u>
Total liabilities and net position	<u>\$ 134,407</u>	<u>\$ 100,000</u>

See notes to accompanying financial statements.

**CANANDAIGUA LOCAL DEVELOPMENT CORPORATION
 STATEMENTS OF REVENUES, EXPENSES, AND CHANGE IN NET POSITION
 FOR THE YEAR ENDED DECEMBER 31,**

	<u>2020</u>	<u>2019</u>
Operating revenues:		
Direct public support	\$ <u>100,000</u>	\$ <u>100,000</u>
Total operating revenues	<u>100,000</u>	<u>100,000</u>
Operating expenses:		
Insurance	1,277	-
Accounting fees	1,658	-
Outside Contract Services	<u>50,798</u>	<u>-</u>
Total operating expenses	<u>53,733</u>	<u>-</u>
Operating income before special project grants	46,267	100,000
Special project grants:		
Awards and grants	<u>(22,000)</u>	<u>-</u>
Net loss from special project grants	<u>(22,000)</u>	<u>-</u>
Operating income	24,267	100,000
Nonoperating revenue:		
Interest income	<u>1,101</u>	<u>-</u>
Total nonoperating revenue	<u>1,101</u>	<u>-</u>
Change in net position	25,368	100,000
Net position - beginning	<u>100,000</u>	<u>-</u>
Net position - ending	<u>\$ <u>125,368</u></u>	<u>\$ <u>100,000</u></u>

See notes to accompanying financial statements.

**CANANDAIGUA LOCAL DEVELOPMENT CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,**

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Direct public support	\$ 100,000	\$ 100,000
Payments for special projects and grants	(22,000)	-
Payments to vendors	(44,694)	-
Net cash provided by operating activities	<u>33,306</u>	<u>100,000</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest income	1,101	-
Purchase of investments	(101,075)	-
Net cash used by capital and financing activities	<u>(99,974)</u>	<u>-</u>
Net increase (decrease) in cash	(66,668)	100,000
Cash - beginning of year	<u>100,000</u>	<u>-</u>
Cash - end of year	<u>\$ 33,332</u>	<u>\$ 100,000</u>
Reconciliation of operating income to net cash used by operating activities:		
Operating income	\$ 24,267	\$ 100,000
Adjustments to reconcile operating income to net cash provided by operating activities:		
Increase in accounts payable	<u>9,039</u>	<u>-</u>
Net cash provided by operating activities	<u>\$ 33,306</u>	<u>\$ 100,000</u>

See notes to accompanying financial statements.

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CANANDAIGUA LOCAL DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Canandaigua Local Development Corporation (the Corporation) have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the Corporation's accounting policies are described below.

A. Reporting Entity:

On August 19, 2019 the Canandaigua Local Development Corporation, a not-for-profit, local development corporation was formed under section 1411 of the Not-for-Profit Corporation Law of the State of New York for the purpose of attracting new and retaining existing business to the greater Canandaigua region, relieving and reducing unemployment, promoting and enhancing employment opportunities, instructing or training individuals to improve or develop skills, conducting scientific research to attract or retain business, and lessening the burdens of government and acting in the public interest in the Town and City of Canandaigua, New York. The Corporation is a corporation as defined in subparagraph (a)(5) of Section 102 of the Not-For-Profit Corporation Law of the State of New York and it is the policy of the Corporation to comply at all times with the provisions of New York State General Municipal Law section 18A, New York State Public Authorities Accountability Act and all local laws duly established by the County of Ontario.

The financial reporting entity includes organizations, functions, and activities over which appointed officials exercise oversight responsibility. Oversight responsibility is determined on the basis of financial interdependency, selection of governing agency, designation of management, ability to significantly influence operations, and accountability for fiscal matters. Members of the Corporation are the City of Canandaigua, Town of Canandaigua and Canandaigua Chamber of Commerce.

B. Basis of Presentation:

The Corporation's financial statements consist of three statements that provide information about the Corporation's activities. The first statement is the Statements of Net Position, which lists all of the Corporation's assets and liabilities, with the difference reported as net position. The second statement is the Statements of Revenues, Expenses and Changes in Net Position, which details how the Corporation's net position changed during the current year based on the reporting of the revenues and expenses recognized by the Corporation. The third statement is the Statements of Cash Flows, which reports the activities that provide or use the cash of the Corporation.

C. Measurement Focus and Basis of Accounting:

The financial statements of the Corporation are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which the Corporation gives or receives value without directly receiving or giving equal value in exchange, include grants. Revenue from grants is recognized in the fiscal year in which all eligibility requirements have been satisfied. The financial statements as of and for the year ended December 31, 2019 were previously prepared on the cash basis of accounting. The Corporation elected to change from the cash basis of accounting to the accrual basis in 2020. The change in the basis of accounting did not have an impact on the financial statements as of and for the year ended December 31, 2019.

D. Income Taxes:

The Corporation does not believe that it has any uncertain tax positions, and has not recorded any unrecognized tax benefits or liability or penalties or interest.

CANANDAIGUA LOCAL DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

E. Net Position:

Equity is classified as net position and displayed in three components:

Investment in Capital Assets: This represents the Corporation's total investment in capital assets, net of outstanding debt obligations related to those capital assets. To the extent debt has been incurred but not yet expended for capital assets, such amounts are not included as a component of net investment in capital assets. The Corporation did not have any net position in this category at December 31, 2020 and 2019.

Restricted Net Position: Consists of net positions with constraints on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. The Corporation did not have any restricted net position as of December 31, 2020 and 2019.

Unrestricted Net Position: Unrestricted net position represents resources derived from operating revenue. These resources are used for transactions relating to the general operations of the Corporation and may be used at the discretion of the Board of Directors to meet current expenses for any purpose.

F. Statement of Cash Flows:

For the purpose of the statement of cash flows, the Corporation considers cash to be all cash and cash equivalents.

G. Accounting Pronouncements:

On May 8, 2020, the GASB issued Statement No. 95, Postponement of Effective Dates of Certain Authoritative Guidance in response to the COVID-19 pandemic. The effective dates of GASB Statements not yet implemented by the Corporation have been updated below to reflect the impact of this Statement. There were no new GASB Statements implemented by the Corporation for the year ended December 31, 2020.

The following are GASB Statements that have been issued recently and are currently being evaluated, by Corporation, for their potential impact in future years.

- Statement No. 87, Leases, which will be effective for the year ending December 31, 2022.
- Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period, which will be effective for the year ending December 31, 2021.
- Statement No. 91, Conduit Debt Obligations, which will be effective for the year ending December 31, 2022.
- Statement No. 92, Omnibus 2020, which will be effective for the year ending December 31, 2022.
- Statement No. 93, Replacement of Interbank Offered Rates, which will be effective for the year ending December 31, 2021, except for paragraph 11b, which will be effective for the year ending December 31, 2022.
- Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, which will be effective for the year ending December 31, 2023.
- Statement No. 96, Subscription-Based Information Technology Arrangements, which will be effective for the year ending December 31, 2023.
- 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 84, and a supersession of GASB Statement No. 32, which will be effective for the year ending December 31, 2022.

NOTE 2. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

A. ASSETS

1. CASH AND INVESTMENTS

The Corporation's cash consists of cash on hand and demand deposits.

CANANDAIGUA LOCAL DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

The Corporation's investment policies are governed by State statutes. In addition, the Corporation has its own written investment policy. Corporation funds must be deposited in FDIC-insured commercial banks or trust companies operating a branch within the City and Town of Canandaigua. The Treasurer is authorized to use interest bearing demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, repurchase agreements and obligations of the State of New York and its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and municipalities and school districts, an eligible "irrevocable letter of credit" issued by a qualified bank other than the bank with the deposits in favor of the Canandaigua Local Development Corporation for a term not to exceed 90 days with an aggregate value equal to 140% of the aggregate amount of Agency deposits or an eligible surety bond payable to Canandaigua Local Development Corporation for an amount at least equal to 100% of the aggregate amount of deposits.

The Corporation's aggregate bank balances were fully collateralized by the Federal Deposit Insurance Act (FDIC) at December 31, 2020 and 2019.

Investment and Deposit Policy: The Corporation follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conformance 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 Treasurer.

Interest Rate Risk: Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. The Corporation's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk: The Corporation'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. The Corporation's investment and deposit policy authorizes it to purchase the following types of investments:

- Interest bearing demand accounts.
- Certificates of deposit.
- Obligations of the United States Treasury and United States Agencies.
- Obligations of New York State and its localities.

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. All deposits of the Corporation including interest bearing demand accounts and certificates of deposit, in excess of the amount insured under the provisions of the FDIC shall be secured by a pledge of securities with an aggregate value equal to 100% of the aggregate amount of deposits. The Corporation restricts the securities to the following eligible items:

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and United States Agencies.
- Obligations issued or fully insured or guaranteed by New York State and its localities.

B. CONTRIBUTED CAPITAL /RELATED PARTY

The Canandaigua Chamber of Commerce, a member of the Corporation, entered into an agreement with the Corporation to provide office space to the Corporation in exchange for recognized capital contributions. The value of the rent and capital contribution is \$500 per month. The agreement expires December 31, 2022 with annual renewal options.

CANANDAIGUA LOCAL DEVELOPMENT CORPORATION
NOTES TO THE FINANCIAL STATEMENTS

C. LEASE COMMITMENT AGREEMENT

The Corporation entered into a 39 month lease agreement with the Canandaigua Chamber of Commerce for office space. This is provided as an in-kind contribution to the Corporation. The expense under this lease amounted to \$6,000 for the year ended December 31, 2020.

Future minimum rental payments under the lease agreement are as follows as of December 31, 2020:

2021	\$ 6,000
2022	<u>6,000</u>
	<u>\$ 12,000</u>

NOTE 3. CONTINGENCIES

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The Corporation's management has assessed these events and the impact of these restrictions and closures related to the Corporation's operations. As of the date of these financial statements and as these events continue to unfold, management believes there will be minimal impact to the Corporation.

NOTE 4. SUBSEQUENT EVENTS

These financial statements have not been updated for subsequent events occurring after March 26, 2021 which is the date these financial statements were available to be issued.



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

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Canandaigua Local Development Corporation
Canandaigua, New York

We have audited, 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, the financial statements of the Canandaigua Local Development Corporation (the Corporation), as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the Corporation's financial statements, and have issued our report thereon dated March 26, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation'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 the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Corporation'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 the 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 Corporation's financial statements are free of 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 financial statements. 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 Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Freed Maxick CPAs, P.C.

Batavia, New York
March 26, 2021



INDEPENDENT ACCOUNTANT'S REPORT

To the Board of Directors
Canandaigua Local Development Corporation
Canandaigua, New York

We have examined the Canandaigua Local Development Corporation's (the CLDC) compliance with the New York State Comptroller's Investment Guidelines for Public Authorities and Section 2925 of the New York State Public Authorities Law (collectively, the "Investment Guidelines") during the period January 1, 2020 to December 31, 2020. Management of the CLDC is responsible for the CLDC's compliance with the specified requirements. Our responsibility is to express an opinion on the CLDC's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the CLDC complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the CLDC complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the CLDC's compliance with specified requirements.

In our opinion, the CLDC complied, in all material respects, with the Investment Guidelines during the period of January 1, 2020 to December 31, 2020.

This report is intended solely for the information and use of the Board of Directors, management and others within the CLDC and the New York State Authorities Budget Office and is not intended to be and should not be used by anyone other than these specified parties.

Freed Maxick CPAs, P.C.

Buffalo, New York
March 26, 2021