

CANANDAIGUA LOCAL
DEVELOPMENT CORPORATION

Financial Statements and
Independent Auditors' Report

December 31, 2021 and 2020

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CANANDAIGUA LOCAL DEVELOPMENT CORPORATION

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Canandaigua Local Development Corporation, Inc., (the Corporation), as of and for the year ended December 31, 2021, and the related notes to financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Prior Period Financial Statements

The financial statements of the Corporation as of December 31, 2020 were audited by other auditors whose report dated March 26, 2021, expressed an unmodified opinion on those statements.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management discussion and analysis on pages 4 through 5 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated , 2022 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.

Williamsville, New York
, 2022

CANANDAIGUA LOCAL DEVELOPMENT CORPORATION

Management's Discussion and Analysis

December 31, 2021

As management of the Canandaigua Local Development Corporation (the Corporation), we offer readers of the Corporation's financial statements this narrative overview and analysis of the financial activities of the Corporation for the year ended December 31, 2021.

Financial Highlights

The assets of the Corporation exceeded its liabilities at the close of the most recent fiscal year by \$163,385 (net position).

The Corporation's assets are comprised primarily of proceeds from the Town of Canandaigua (the Town) and the City of Canandaigua (the City). The Corporation received a total of \$100,000 from the Town and the City in 2021.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Corporation's basic financial statements. The Corporation's basic financial statements are comprised of two components: 1) corporation-wide financial statements and 2) notes to financial statements.

Corporation-wide financial statements. The corporation-wide financial statements are designed to provide readers with a broad overview of the Corporation's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Corporation's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Corporation is improving or deteriorating.

The statement of revenue, expenses and changes in net position presents information showing how the Corporation's net position changed during the most recent fiscal year. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

The corporation-wide financial statements can be found on pages immediately following this section.

Notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the corporate-wide financial statements. The notes to the financial statements can be found following the financial statements section of this report.

CANANDAIGUA LOCAL DEVELOPMENT CORPORATION

Management's Discussion and Analysis, Continued

Corporation-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of financial position. In the case of the Corporation, assets exceed liabilities by \$163,385 at the close of the most recent fiscal year.

	<u>Net Position</u>	
	<u>2021</u>	<u>2020</u>
Assets	\$ 170,774	134,407
Liabilities	<u>(7,389)</u>	<u>(9,039)</u>
Total net position	\$ <u>163,385</u>	<u>125,368</u>
Operating revenue	106,000	106,000
Operating expenses	(68,391)	(81,733)
Nonoperating revenue	<u>408</u>	<u>1,101</u>
Change in net position	38,017	25,368
Net position at beginning of year	<u>125,368</u>	<u>100,000</u>
Net position at end of year	\$ <u>163,385</u>	<u>125,368</u>

Requests for Information

This financial report is designed to provide a general overview of the Corporation's finances for all those with an interest in the Corporation's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Canandaigua Local Development Corporation, 113 South Main Street, Canandaigua, New York 14424.

CANANDAIGUA LOCAL DEVELOPMENT CORPORATION
 Statements of Net Position
 December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets:		
Cash	\$ 69,310	33,332
Certificate of deposit	<u>101,464</u>	<u>101,075</u>
Total assets	<u>\$ 170,774</u>	<u>134,407</u>
Liabilities - accounts payable	7,389	9,039
Net position - unrestricted	<u>163,385</u>	<u>125,368</u>
Total liabilities and net position	<u>\$ 170,774</u>	<u>134,407</u>

See accompanying notes to financial statements.

CANANDAIGUA LOCAL DEVELOPMENT CORPORATION
 Statements of Revenue, Expenses and Changes in Net Position
 Years ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating revenue:		
Direct public support	\$ 100,000	100,000
Donated facilities	<u>6,000</u>	<u>6,000</u>
Total operating revenue	<u>106,000</u>	<u>106,000</u>
Operating expenses:		
Insurance	649	1,277
Accounting fees	2,594	1,658
Outside contract services	59,148	50,798
Rent	6,000	6,000
Awards and grants	<u>-</u>	<u>22,000</u>
Total operating expenses	<u>68,391</u>	<u>81,733</u>
Operating income	37,609	24,267
Nonoperating revenue - interest income	<u>408</u>	<u>1,101</u>
Change in net position	38,017	25,368
Net position at beginning of year	<u>125,368</u>	<u>100,000</u>
Net position at end of year	<u>\$ 163,385</u>	<u>125,368</u>

See accompanying notes to financial statements.

CANANDAIGUA LOCAL DEVELOPMENT CORPORATION
 Statements of Cash Flows
 Years ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Direct public support	\$ 100,000	100,000
Payments for special projects and grants	-	(22,000)
Payments to vendors	<u>(64,041)</u>	<u>(44,694)</u>
Net cash provided by operating activities	<u>35,959</u>	<u>33,306</u>
Cash flows from investing activities:		
Interest income	408	1,101
Purchase of certificate of deposit	<u>(389)</u>	<u>(101,075)</u>
Net cash provided by (used in) investing activities	<u>19</u>	<u>(99,974)</u>
Net change in cash	35,978	(66,668)
Cash at beginning of year	<u>33,332</u>	<u>100,000</u>
Cash at end of year	<u>\$ 69,310</u>	<u>33,332</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	37,609	24,267
Adjustments to reconcile operating income to net cash provided by operating activities - change in accounts payable	<u>(1,650)</u>	<u>9,039</u>
Net cash provided by operating activities	<u>\$ 35,959</u>	<u>33,306</u>

See accompanying notes to financial statements.

CANANDAIGUA LOCAL DEVELOPMENT CORPORATION

Notes to Financial Statements

December 31, 2021 and 2020

(1) Summary of Significant Accounting Policies

The financial statements of the Canandaigua Local Development Corporation (the Corporation) have been prepared in accordance with accounting principles generally accepted in the United States of America (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, 2011 the Corporation, a not-for-profit, local development corporation was formed under section 11 411 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 Revenue, 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 revenue 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.

CANANDAIGUA LOCAL DEVELOPMENT CORPORATION

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(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. Revenue is 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.

(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.

(e) Net Position

Net position is classified under the following 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, 2021 and 2020.

Restricted Net Position - Represents 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, 2021 and 2020.

Unrestricted Net Position - Represents all other assets that do not meet the definition of net investment in capital assets or restricted net position.

(f) Cash and Equivalents

For purposes of the statements of cash flows, the Corporation considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

(g) Future Implementations of GASB Pronouncements

GASB has issued the following pronouncements which will be implemented in the years required. The effects of the implementation of these pronouncements are not known at this time.

- Statement No. 87 - "Leases," which will be effective for the year ending December 31, 2022.
- Statement No. 91 - "Conduit Debt Obligations," which will be effective for the year ending December 31, 2022.

CANANDAIGUA LOCAL DEVELOPMENT CORPORATION

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(g) Future Implementations of GASB Pronouncements, Continued

- 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 11(b), 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.

(h) Risks and Uncertainties

The United States is presently in the midst of a national health emergency related to the COVID-19 virus. The overall consequences on a national, regional and local level are unknown, but has the potential to result in a significant economic impact. The impact of this situation on the Corporation and its future results and financial position is not presently determinable.

(i) Subsequent Events

The Corporation has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

(j) Reclassifications

Reclassifications have been made to certain 2020 balances in order to conform them to the 2021 presentation.

(2) Cash and Investments

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 Federal Deposit Insurance Corporation (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.

CANANDAIGUA LOCAL DEVELOPMENT CORPORATION

Notes to Financial Statements, Continued

(2) Cash and Investments, Continued

Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC. 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 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 FDIC insurance at December 31, 2021 and 2020.

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.

CANANDAIGUA LOCAL DEVELOPMENT CORPORATION

Notes to Financial Statements, Continued

(2) Cash and Investments, Continued

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.

(3) Lease Commitment Agreement

The Corporation entered into a 39 month lease agreement with the Canandaigua Chamber of Commerce, a member of the Corporation, for office space. This is provided as an in-kind contribution to the Corporation. The rent expense under this lease amounted to \$6,000 for the year ended December 31, 2021.

Future obligations under the lease agreement amounted to \$4,500 for the year ending December 31, 2022. The lease agreement is set to expire in 2022.

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

The Board of Directors
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, 2021, and the related notes to financial statements, which collectively comprise the Corporation's financial statements, and have issued our report thereon dated _____, 2022.

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 Corporation'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.

Williamsville, New York
, 2022

REPORT TO THE BOARD

, 2022

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

Dear Board Members:

We have audited the financial statements of the Canandaigua Local Development Corporation (the Corporation) for the year ended December 31, 2021, and have issued our report thereon dated , 2022. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America and Government Auditing Standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter. Professional standards also require that we communicate to you the following information related to our audit.

Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Corporation are described in note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2021. We noted no transactions entered into by the Corporation during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

For the year ended December 31, 2021, we have evaluated the key factors and assumptions used by management in determining that accounting estimates were reasonable in relation to the financial statements taken as a whole.

Sensitive Disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to the financial statement users. The financial statement disclosures are neutral, consistent and clear.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Recent Accounting Standards Issued

In February 2016, the FASB issued ASU 2016-02 - "Leases (Topic 842)." ASU 2016-02 modifies the current presentation of operating leases. Currently, operating leases are not recorded on the statement of financial position as obligations, rather there is a footnote disclosure that includes the expected future lease payments for operating leases. This update will now require organizations that lease assets to recognize assets and liabilities on their statement of financial position for operating leases with lease terms of more than 12 months. Operating leases will be required to recognize a right-of-use asset and a lease liability, measured at the present value of the lease payment, recognize a single lease cost, generally allocating the lease over a straight-line basis and classify all cash payments within operating activities of cash flows. These changes will require expanded footnote disclosure to enhance the financial statement user's understanding of the amount, timing and uncertainty of cash flows arising from leases. The guidance is effective for fiscal years beginning after December 15, 2021, the Corporation's fiscal year beginning January 1, 2022.

In August 2018, the FASB issued ASU 2018-14 - "Disclosure Framework - Changes to the Disclosure Requirements for Defined Benefit Plans." The standard revises the annual disclosure requirements by removing disclosures that are no longer cost beneficial, clarifying specific requirements or disclosures and adding certain disclosures identified as relevant. The guidance is effective for fiscal years beginning after December 15, 2021, which is the year ending December 31, 2022 for the Corporation.

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This information is intended solely for the use of the Board of Directors and management of Canandaigua Local Development Corporation and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

EFPR GROUP, CPAs, PLLC

INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the Canandaigua Local Development Corporation's (the Corporation) compliance with Section 201.3 of Title Two of the Official Compilation of Codes, Rules and Regulations of New York State related to investments for the year ended December 31, 2021. The Corporation's management is responsible related to investments for the Corporation's compliance with the specified requirements. Our responsibility is to express an opinion on the Corporation'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 Corporation complied with the specified requirements, in all material respects. An examination involves performing procedures to obtain evidence about whether the Corporation 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 Corporation's compliance with specified requirements.

In our opinion, the Corporation complied, in all material respects, with the Investment Guidelines for the year ended December 31, 2021.

This report is intended solely for the information and use of the Board of Directors, management and others within the Corporation 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.

Williamsville, New York
, 2022