

# **CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION**

**Cortland, New York**

## **FINANCIAL REPORT**

**For the Years Ended  
December 31, 2024 and 2023**



# ***CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION***

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Cortland County Business Development Corporation  
Cortland, New York

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of the Cortland County Business Development Corporation (the Corporation), a nonprofit corporation, which comprise the Statements of Financial Position as of December 31, 2024 and 2023, and the related Statements of Activities, Functional Expenses, and Cash Flows for the years then ended, and the related notes to the financial statements.

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, 2024 and 2023, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

#### 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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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; 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.

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 within one year after the date that the financial statements are available to be issued.

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## **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 Generally Accepted Auditing Standards (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, including omissions, 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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 27, 2025 on our consideration of the Cortland County Business Development Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control over financial reporting and compliance.

Respectfully submitted,

A handwritten signature in dark ink that reads "Inero & Co. CPAs, LLP". The signature is written in a cursive, flowing style.

Inero & Co. CPAs, LLP  
Certified Public Accountants

Ithaca, New York  
February 27, 2025

# **CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION**

## **STATEMENTS OF FINANCIAL POSITION DECEMBER 31,**

	<b>2024</b>			<b>2023</b>		
	<b>Operating Fund</b>	<b>Revolving Loan Funds</b>	<b>Total</b>	<b>Operating Fund</b>	<b>Revolving Loan Funds</b>	<b>Total</b>
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and Cash Equivalents:						
Unrestricted	\$ 495,298	\$ -	\$ 495,298	\$ 334,395	\$ -	\$ 334,395
Restricted	-	800,419	800,419	-	718,645	718,645
<b>Total Cash and Cash Equivalents</b>	<b>495,298</b>	<b>800,419</b>	<b>1,295,717</b>	<b>334,395</b>	<b>718,645</b>	<b>1,053,040</b>
Accounts Receivable	129	-	129	93,024	-	93,024
Security Deposits	5,800	-	5,800	5,800	-	5,800
Loans Receivable - Current Portion, Net of Allowance and Discount Disclosed in Note 4	-	5,704	5,704	-	60,428	60,428
Prepaid Expenses	5,111	-	5,111	5,246	-	5,246
<b>Total Current Assets</b>	<b>506,338</b>	<b>806,123</b>	<b>1,312,461</b>	<b>438,465</b>	<b>779,073</b>	<b>1,217,538</b>
Property and Equipment, Net of Accumulated Depreciation (\$24,397 and \$23,099 Respectively)	2,578	-	2,578	2,471	-	2,471
Loans Receivable - Long-Term Portion, Net of Allowance and Discount Disclosed in Note 4	-	27,725	27,725	-	20,620	20,620
<b>Total Assets</b>	<b>\$ 508,916</b>	<b>\$ 833,848</b>	<b>\$ 1,342,764</b>	<b>\$ 440,936</b>	<b>\$ 799,693</b>	<b>\$ 1,240,629</b>
<b>LIABILITIES AND NET ASSETS</b>						
<b>Current Liabilities</b>						
Accounts Payable	\$ 4,250	\$ -	\$ 4,250	\$ 19,041	\$ -	\$ 19,041
Accrued Payroll Liabilities	431	-	431	322	-	322
Security Deposits Held	2,400	-	2,400	2,400	-	2,400
Deferred Revenues	-	-	-	17,967	-	17,967
<b>Total Current Liabilities</b>	<b>7,081</b>	<b>-</b>	<b>7,081</b>	<b>39,730</b>	<b>-</b>	<b>39,730</b>
<b>Net Assets</b>						
Net Assets Without Donor Restrictions	131,397	-	131,397	30,768	-	30,768
Net Assets Without Donor Restrictions - Board Designated	370,438	833,848	1,204,286	370,438	799,693	1,170,131
<b>Total Net Assets</b>	<b>501,835</b>	<b>833,848</b>	<b>1,335,683</b>	<b>401,206</b>	<b>799,693</b>	<b>1,200,899</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 508,916</b>	<b>\$ 833,848</b>	<b>\$ 1,342,764</b>	<b>\$ 440,936</b>	<b>\$ 799,693</b>	<b>\$ 1,240,629</b>

*See Notes to Financial Statements*

# **CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION**

## **STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED DECEMBER 31,**

	<b>2024</b>			<b>2023</b>		
	<b>Operating Fund</b>	<b>Revolving Loan Funds</b>	<b>Total</b>	<b>Operating Fund</b>	<b>Revolving Loan Funds</b>	<b>Total</b>
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>						
<b>Operating Revenues</b>						
Contracts and Support	\$ 516,803	\$ -	\$ 516,803	\$ 492,193	\$ -	\$ 492,193
Interest Income	399	33,931	34,330	2,138	17,421	19,559
Grant Revenue	17,967	-	17,967	188,500	-	188,500
Application Fees	-	224	224	-	-	-
Administrative Service Revenue	50,000	-	50,000	50,000	-	50,000
Rental Revenue	22,800	-	22,800	27,000	-	27,000
Other Revenue	4,105	-	4,105	-	-	-
<b>Total Operating Revenues</b>	<b>612,074</b>	<b>34,155</b>	<b>646,229</b>	<b>759,831</b>	<b>17,421</b>	<b>777,252</b>
<b>Operating Expenses</b>						
Program Services	460,280	-	460,280	677,619	17	677,636
Management and General	51,165	-	51,165	56,402	-	56,402
<b>Total Operating Expenses</b>	<b>511,445</b>	<b>-</b>	<b>511,445</b>	<b>734,021</b>	<b>17</b>	<b>734,038</b>
Changes in Net Assets	100,629	34,155	134,784	25,810	17,404	43,214
Net Assets, January 1,	401,206	799,693	1,200,899	375,396	782,289	1,157,685
<b>Net Assets, December 31,</b>	<b>\$ 501,835</b>	<b>\$ 833,848</b>	<b>\$ 1,335,683</b>	<b>\$ 401,206</b>	<b>\$ 799,693</b>	<b>\$ 1,200,899</b>

*See Notes to Financial Statements*

# ***CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION***

## **STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2024**

	<b>Program Services</b>	<b>Management and General</b>	<b>Total</b>
Salaries	\$ 242,770	\$ 26,974	\$ 269,744
Employee Benefits	52,142	5,794	57,936
Occupancy	45,900	5,100	51,000
Payroll Taxes	20,037	2,226	22,263
American Rescue Plan Act Payments	17,968	-	17,968
Marketing	16,218	-	16,218
Equipment Rental and Maintenance	13,651	1,517	15,168
Telephone, Fax, Internet	11,678	1,298	12,976
Conferences and Meetings	11,222	-	11,222
Accounting and Payroll Services	7,920	880	8,800
Automobile Expense	2,045	3,797	5,842
Utilities Expense	4,778	531	5,309
Supplies	4,659	518	5,177
Travel	3,385	846	4,231
Dues	2,440	-	2,440
Insurance	1,745	194	1,939
Depreciation	-	1,298	1,298
Legal and Professional Fees	918	102	1,020
Filing Fees	247	28	275
Postage	226	25	251
<b>Total Expenses</b>	<b>\$ 460,280</b>	<b>\$ 51,165</b>	<b>\$ 511,445</b>

*See Notes to Financial Statements*



# ***CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION***

## **STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2023**

	<b>Program Services</b>	<b>Management and General</b>	<b>Total</b>
Salaries	\$ 266,753	\$ 29,639	\$ 296,392
Employee Benefits	53,542	5,949	59,491
Occupancy	45,900	5,100	51,000
Payroll Taxes	21,918	2,435	24,353
American Rescue Plan Act Payments	188,500	-	188,500
Marketing	16,639	-	16,639
Equipment Rental and Maintenance	14,981	1,665	16,646
Telephone, Fax, Internet	5,161	574	5,735
Conferences and Meetings	1,689	-	1,689
Accounting and Payroll Services	23,598	2,622	26,220
Automobile Expense	2,278	4,231	6,509
Utilities Expense	7,914	879	8,793
Supplies	3,083	343	3,426
Travel	4,000	1,000	5,000
Dues	2,529	-	2,529
Insurance	1,706	190	1,896
Depreciation	-	1,504	1,504
Legal and Professional Fees	281	31	312
Filing Fees	1,777	197	1,974
Postage	387	43	430
Special Projects Expense	15,000	-	15,000
<b>Total Expenses</b>	<b>\$ 677,636</b>	<b>\$ 56,402</b>	<b>\$ 734,038</b>

*See Notes to Financial Statements*

# ***CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION***

## **STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31,**

	<b>2024</b>	<b>2023</b>
<b>Cash Flows From Operating Activities</b>		
Cash Provided by Contracts	\$ 659,698	\$ 542,079
Cash Provided by Interest	34,330	19,559
Other Operating Cash Receipts	27,129	27,000
Cash Paid to Suppliers and Employees	(442,034)	(498,003)
Cash Paid for Special Projects and Grants	(74,154)	(203,500)
Other Operating Cash Payments	(8,506)	(13,920)
<b>Net Cash Provided by Operating Activities</b>	<b>196,463</b>	<b>(126,785)</b>
<b>Cash Flows From Investing Activities</b>		
Equipment Purchase	(1,405)	(2,211)
Principal Received on Loans Receivable	47,619	61,901
<b>Net Cash Provided by Investing Activities</b>	<b>46,214</b>	<b>59,690</b>
<b>Cash Flows From Financing Activities</b>	<b>-</b>	<b>-</b>
Net Change in Cash and Cash Equivalents	242,677	(67,095)
Cash and Cash Equivalents, January 1,	1,053,040	1,120,135
<b>Cash and Cash Equivalents, December 31,</b>	<b><u>\$1,295,717</u></b>	<b><u>\$1,053,040</u></b>

*See Notes to Financial Statements*

# ***CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023**

### ***Note 1*      Summary of Significant Accounting Policies**

#### **Business Activity**

The Cortland County Business Development Corporation (the Corporation) is a nonprofit corporation formed on May 12, 1992. The Corporation's activities involve attracting new business, developing existing businesses, and promoting and developing job opportunities in Cortland County. The Board of Directors is comprised of 13 members split into two classifications. The seven member directors of the Corporation are the same members appointed to the Cortland County Industrial Development Agency by the Cortland County Legislature. Additionally, there are six non-member directors selected by members of the Corporation.

#### **Accounting Method**

The financial statements of the Corporation have been prepared on the accrual basis.

#### **Basis of Accounting**

The financial statements of the Corporation have been prepared in accordance with U.S. generally accepted accounting principles (U.S. GAAP), which require the Corporation to report information regarding its financial position and activities according to the following net asset classifications:

- **Net Assets Without Donor Restrictions:**

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary activities of the Corporation. These net assets may be used at the discretion of the Corporation's management and the Board of Directors.

- **Net Assets With Donor Restrictions:**

Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Corporation or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated funds be maintained in perpetuity. Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expired, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Statements of Activities. The Corporation did not have any donor restricted funds at December 31, 2024 or 2023.

#### **Use of Funds**

The assets, liabilities, and net assets of the Corporation are reported in two self-balancing fund groups as follows:

- **Operating Funds:** Resources which represent the portion of expendable funds available for support of Corporation operations.

# ***CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023**

### ***Note 1*      Summary of Significant Accounting Policies - Continued**

#### **Use of Funds - Continued**

- **Revolving Loan Funds:** Resources used to support local business by granting loans for economic development within Cortland County.

#### **Cash and Cash Equivalents**

For purposes of reporting cash flows, cash and cash equivalents include all highly liquid investments with original maturities of three months or less.

#### **Loans Receivable and the Allowance for Expected Credit Losses**

The Corporation holds funds that are earmarked for the purpose of making loans to qualified Cortland County businesses. The funds are to be used for expansion and the creation of jobs within the County. Additionally, during 2020, the Corporation made several COVID-19 business assistance loans to provide local businesses with working capital required to cover costs incurred as a result of the pandemic. As of December 31, 2024, the Corporation had four loans outstanding with interest rates raising from 2% to 6% and various terms to maturity through 2027. Collateral consists of various assets owned by the individual businesses. The Corporation has filed all necessary legal documents to obtain a first or second lien on the various assets. Interest on loans is recognized when collected.

The Corporation estimates expected credit losses for loans receivable by considering a variety of factors including historical credit loss experience, our judgement as to the specific recipients current ability to pay, and current and forward-looking factors regarding the economic environment. The allowance for expected credit losses is established through a charge to expense. Receivables are charged against the allowance for expected credit losses when management believes that collectability is unlikely. As of December 31, 2024 and 2023, the Corporation had a \$25,000 allowance for expected credit loss.

#### **Property and Equipment**

Property and equipment are recorded at cost. Depreciation is provided for using the straight-line method over the estimated useful lives of the respective assets. The Corporation capitalizes all assets, excluding land, with a value greater than \$1,000 and with useful lives greater than one year.

#### **Use of Estimates**

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

# ***CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION***

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023**

### ***Note 1*      Summary of Significant Accounting Policies - Continued**

#### **Marketing Costs**

Marketing costs are comprised of print and audio media advertising and promotions. These costs are expensed when incurred and amounted to \$16,218 and \$16,639 for the years ended December 31, 2024 and 2023, respectively.

#### **Functional Allocation of Expenses**

The costs of providing program and management and general activities have been summarized on a functional basis in the Statements of Activities. Accordingly, certain costs have been allocated among functions as determined by management on an equitable basis. For the years presented, the Corporation did not incur any fundraising expenses.

#### **Tax Status**

The Corporation is recognized as exempt from federal taxation under §501(c)(6) of the Internal Revenue Code.

#### **Revenue Recognition**

The Corporation receives revenue through contracts with the Cortland County Industrial Development Agency, a related party, and Cortland County. The Corporation recognizes revenue under those agreements as it satisfies the underlying performance obligations. At December 31, 2024 and 2023, the Corporation had met the performance obligations in those respective agreements and recognized the corresponding revenue in the Statement of Activities. During the year ended 2024, the Corporation disbursed its final ARPA funds and recognized the related revenue. The Corporation has recognized the grant revenue in the same period in which the related disbursements to recipients have been recognized.

#### **Reclassifications**

Certain financial statement items have been reclassified to conform to the current year presentation. These reclassifications had no effect on the net assets previously reported.

#### **Evaluation of Subsequent Events**

The Corporation has evaluated events and transactions for potential recognition or disclosure in the financial statements through February 27, 2025, the date which the financial statements were available to be issued.

### ***Note 2*      Concentration of Credit Risk and Sources of Revenue**

Financial instruments which potentially expose the Corporation to concentrations of credit and market risk consist primarily of cash. Cash is maintained at two financial institutions and credit exposure is limited to cash in excess of Federal Deposit Insurance Corporation (FDIC) insurance limits. From time to time the Corporation may have bank deposits in excess of FDIC insurance limits.

# CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

### **Note 2 Concentration of Credit Risk and Sources of Revenue - Continued**

During 2022, the Corporation renewed its agreement with Cortland County (the County) to provide business development and related services to businesses within the County for the 2023, 2024, 2025, and 2026 fiscal years. In exchange for these services, the County will make quarterly payments of specific annual amounts over the 4-year period. As of December 31, 2024 and 2023, the Corporation had complied with all the requirements of the agreement and recognized the corresponding revenue for those periods as earned in the Statement of Activities. The Corporation received approximately 80% and 63% in 2024 and 2023, respectively, of its support from Cortland County. During 2023, the Corporation recognized \$188,500 in grant income for the ARPA program through Cortland County, accounting for an additional 24% of total revenue. The Corporation also has a perpetual administrative service agreement with the Cortland County Industrial Development Agency, a related party, to provide operational support. The Agreement renews annually and the Corporation has recognized the corresponding earned revenue in the Statement of Activities.

### **Note 3 Property and Equipment**

Property and equipment consisted of the following at December 31,:

<b>2024</b>			
<b>Asset</b>	<b>Cost</b>	<b>Accumulated Depreciation</b>	<b>Book Value</b>
Equipment	\$ 26,975	\$ 24,397	\$ 2,578
<b>Total</b>	<b>\$ 26,975</b>	<b>\$ 24,397</b>	<b>\$ 2,578</b>
<b>2023</b>			
<b>Asset</b>	<b>Cost</b>	<b>Accumulated Depreciation</b>	<b>Book Value</b>
Equipment	\$ 25,570	\$ 23,099	\$ 2,471
<b>Total</b>	<b>\$ 25,570</b>	<b>\$ 23,099</b>	<b>\$ 2,471</b>

Depreciation expense amounted to \$1,298 and \$1,504 for the years ended December 31, 2024 and 2023, respectively.

# **CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION**

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023**

### **Note 4      Loans Receivable - Revolving Loan Program**

	<u>2024</u>	<u>2023</u>
Loan receivable from Crown City Stove Works, dated January 29, 2010, original amount: \$50,000, payable in monthly installments of \$555 including interest at 6%, maturing February 1, 2020. This loan is past due and management agreed to allow the loan to be paid in \$200 monthly installments going directly to principal.	\$ 7,175	\$ 9,575
Loan receivable from S&D Mironti, dated August 9, 2019, original amount: \$63,000, payable in monthly installments of \$699 including interest at 6%, maturing September 31, 2024. September balloon payment of \$36,694 was refinanced into a new loan dated September 1, 2024, original amount: \$37,962, payable in monthly installments of \$1,158 including interest at 6%, maturing September 31, 2027.	34,962	40,731
Loan receivable from Community Restaurant, dated August 11, 2020, original amount: \$75,000, payable in monthly installments of \$1,450 including interest at 6%, maturing September 1, 2025.	12,729	28,837
COVID-19 Loan receivable from Community Restaurant, dated June 1, 2020, original amount: \$25,000, payable in monthly installments of \$716 including interest at 2%, matured May 1, 2024.	-	3,563
COVID-19 Loan receivable from Armideo Housing, dated June 1, 2020, original amount: \$25,000, payable in monthly installments of \$716 including interest at 2%, matured May 1, 2024.	-	3,563
COVID-19 Loan receivable from 60 Main LLC, dated August 13, 2020, original amount: \$25,000, payable in monthly installments of \$717 including interest at 2%, matured September 1, 2024.	-	6,391
COVID-19 Loan receivable from Mironti Enterprises, Inc., dated September 23, 2020, original amount: \$15,000, payable in monthly installments of \$430 including interest at 2%, matured October 1, 2024.	-	4,187
COVID-19 Loan receivable from Silver Lining Performance Horses, dated January 11, 2021, original amount: \$25,000, payable in monthly installments of \$716 including interest at 2%, maturing January 1, 2025. The last four payments of 2024 were past due and management agreed to allow the loan payments to be paid in 2025 going directly to principal.	3,563	9,201
<b>Total Loans Outstanding</b>	<b>58,429</b>	106,048
(Less) Allowance for Uncollectible Loans Receivable	<u>(25,000)</u>	<u>(25,000)</u>
<b>Net Loans Outstanding</b>	<b>33,429</b>	81,048
(Less) Current Portion	<u>(5,704)</u>	<u>(60,428)</u>
<b>Long-Term Portion</b>	<u><b>\$ 27,725</b></u>	<u><b>\$ 20,620</b></u>

# CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023

### **Note 5 Board Designated Net Assets**

The Corporation's Board of Directors designated net assets for potential future projects. Changes in Board Designated Net Assets, for the years ended December 31, are as follows:

	<b>Balance at December 31, 2023</b>	<b>Transfers In</b>	<b>Funds Used</b>	<b>Balance at December 31, 2024</b>
Future Project Needs	\$ 340,000	\$ -	\$ -	\$ 340,000
Training	30,438	-	-	30,438
Revolving Loan Funds	799,693	34,155	-	833,848
<b>Total</b>	<b>\$ 1,170,131</b>	<b>\$ 34,155</b>	<b>\$ -</b>	<b>\$ 1,204,286</b>

  

	<b>Balance at December 31, 2022</b>	<b>Transfers In</b>	<b>Funds Used</b>	<b>Balance at December 31, 2023</b>
Future Project Needs	\$ 340,000	\$ -	\$ -	\$ 340,000
Training	30,438	-	-	30,438
Revolving Loan Funds	782,289	17,421	(17)	799,693
<b>Total</b>	<b>\$ 1,152,727</b>	<b>\$ 17,421</b>	<b>\$ (17)</b>	<b>\$ 1,170,131</b>

### **Note 6 Retirement Contributions**

The Corporation sponsors a 401(k) plan. There are no plan-imposed limits on employee contributions. The Corporation matches each employee's contribution up to a maximum of 10% of the employee's compensation. Retirement expense incurred as of December 31, 2024 and 2023 amounted to \$13,469 and \$22,692, respectively.

### **Note 7 Short-Term Leases**

Commencing January 1, 2020, the Corporation relocated its office and entered into a new lease agreement for the 2020 calendar year. The initial lease term was for one year with five optional one-year renewal terms. The lease covers three separate spaces in one building. The first space is occupied by the Corporation; the base rent is \$20,400 annually, payable in monthly installments. During the 2024 fiscal year, additional space was rented on a month to month basis for \$650 each month. The other two spaces are sublet by the Corporation for a combined additional income of \$22,800 annually, payable in monthly installments. The Corporation only pays for the additional space when it is not occupied. During 2024, the Corporation did sublet the other two spaces. For the years ended December 31, 2024 and 2023, the Corporation recognized rental revenue of \$22,800 and combined occupancy expense of \$51,000.



# **CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION**

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2024 AND 2023**

### **Note 8 Related Party Transactions**

The Cortland County Industrial Development Agency (the Agency) was created for the purpose of advancing job opportunities, and the health, general prosperity, and economic welfare of the people of Cortland County in 1974.

The Executive Director of the Corporation acts as the Chief Executive Officer of the Agency; the Chief Finance Officer and Project Development Director of the Corporation acts as the Chief Finance Officer of the Agency; and the members of Board of Directors of the Corporation are also members of the Agency's Board of Directors. At December 31, 2024 and 2023, the Corporation had an accounts receivable balance of \$-0- and \$91,835 due from the Agency and related to a property transferred to the Agency in prior years. During the current year, the Agency found a potential buyer for the related property and paid the Corporation the amount owed in anticipation of the sale.

The Corporation and the Agency have an administrative service agreement wherein the Agency pays the Corporation annually for administrative services. The Agency paid the Corporation \$50,000 and \$50,000 for the years ended December 31, 2024 and 2023, respectively, in accordance with the agreement.

The Cortland County Legislature appoints member directors of the Corporation. Cortland County provided support and grant revenue to the Corporation totaling \$534,770, and \$680,693 for the years ended December 31, 2024 and 2023, respectively.

### **Note 9 Liquidity and Availability of Resources**

The Corporation's financial assets available within one year of the consolidated statements of financial position date for general expenditure are as follows:

	<u>2024</u>	<u>2023</u>
<b>Financial Assets at Year End</b>		
Cash and Equivalents	\$ 1,295,717	\$ 1,053,040
Accounts Receivable	129	93,024
Loans Receivable - Current Portion	5,704	60,428
<b>Total Financial Assets</b>	<u>1,301,550</u>	<u>1,206,492</u>
 Board Designated	<u>(1,204,286)</u>	<u>(1,170,131)</u>
<b>Total Amounts Unavailable Within One Year</b>	<u>(1,204,286)</u>	<u>(1,170,131)</u>
 <b>Total Financial Assets Available Within One Year</b>	<u><u>\$ 97,264</u></u>	<u><u>\$ 36,361</u></u>

The Corporation manages its financial assets to be available as its operating expenditures, liabilities, and other obligations come due.



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

To the Board of Directors  
Cortland County Business Development Corporation  
Cortland, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Cortland County Business Development Corporation (the Corporation), which comprise the Statement of Financial Position as of December 31, 2024, and the related Statements of Activities, Functional Expenses, and Cash Flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 27, 2025.

**Report on 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) as a basis for designing 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 a 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 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.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Corporation'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 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.

Respectfully submitted,

A handwritten signature in black ink that reads "Insero & Co. CPAs, LLP". The signature is written in a cursive, flowing style.

Insero & Co. CPAs, LLP  
Certified Public Accountants

Ithaca, New York  
February 27, 2025