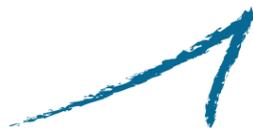


CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

Cortland, New York

FINANCIAL REPORT

**For the Years Ended
December 31, 2025 and 2024**



insero&co

Certified Public Accountants

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, 2025 and 2024, 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, 2025 and 2024, 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.

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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Consolidating Statements of Financial Position and Activities (supplementary information) is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 6, 2026 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.

Other Reporting Required by New York State Public Authorities Law

We have also issued our report dated March 6, 2026 on our consideration of the Corporation’s compliance with §2925(3)(f) of the New York State Public Authorities Law. The purpose of that report is to describe anything that came to our attention that caused us to believe the Corporation failed to comply with the Corporation’s Investment Guidelines, the New York State Comptroller’s Investment Guidelines, and §2925(3)(f) of the New York State Public Authorities Law.

Respectfully submitted,



Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
March 6, 2026

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION DECEMBER 31,

	<u>2025</u>	<u>2024</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents:		
Unrestricted	\$ 557,720	\$ 495,298
Restricted	756,524	800,419
Total Cash and Cash Equivalents	<u>1,314,244</u>	<u>1,295,717</u>
Accounts Receivable	695	129
Security Deposits	5,800	5,800
Loans Receivable - Current Portion, Net of Allowance		
Disclosed in Note 4	18,368	5,704
Prepaid Expenses	5,172	5,111
Total Current Assets	<u>1,344,279</u>	<u>1,312,461</u>
Property and Equipment, Net of Accumulated		
Depreciation (\$25,928 and \$24,397 Respectively)	2,510	2,578
Loans Receivable - Long-Term Portion, Net of Allowance		
Disclosed in Note 4	85,756	27,725
Total Assets	<u><u>\$ 1,432,545</u></u>	<u><u>\$ 1,342,764</u></u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts Payable	\$ -	\$ 4,250
Accrued Payroll Liabilities	30	431
Security Deposits Held	2,400	2,400
Total Current Liabilities	<u>2,430</u>	<u>7,081</u>
Net Assets		
Net Assets Without Donor Restrictions	99,029	131,397
Net Assets Without Donor Restrictions - Board Designated	1,331,086	1,204,286
Total Net Assets	<u>1,430,115</u>	<u>1,335,683</u>
Total Liabilities and Net Assets	<u><u>\$ 1,432,545</u></u>	<u><u>\$ 1,342,764</u></u>

See Notes to Financial Statements

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

CONSOLIDATED STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED DECEMBER 31,

	<u>2025</u>	<u>2024</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
Operating Revenues		
Contracts and Support	\$ 542,643	\$ 516,803
Interest Income	37,834	34,330
Grant Revenue	-	17,967
Application Fees	-	224
Administrative Service Revenue	50,000	50,000
Rental Revenue	22,800	22,800
Other Revenue	3,125	4,105
Total Operating Revenues	<u>656,402</u>	<u>646,229</u>
Operating Expenses		
Program Services	504,395	460,280
Management and General	57,575	51,165
Total Operating Expenses	<u>561,970</u>	<u>511,445</u>
Changes in Net Assets Without Donor Restrictions	94,432	134,784
Net Assets, January 1,	<u>1,335,683</u>	<u>1,200,899</u>
Net Assets, December 31,	<u><u>\$ 1,430,115</u></u>	<u><u>\$ 1,335,683</u></u>

See Notes to Financial Statements

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2025

	Program Services	Management and General	Total
Salaries	\$ 256,703	\$ 28,523	\$ 285,226
Employee Benefits	34,685	3,854	38,539
Payroll Taxes	21,943	2,438	24,381
Occupancy	45,900	5,100	51,000
Special Projects Expense	54,000	6,000	60,000
Marketing	9,506	1,056	10,562
Equipment Rental and Maintenance	30,072	3,341	33,413
Telephone, Fax, Internet	7,411	823	8,234
Conferences and Meetings	10,834	1,204	12,038
Accounting and Payroll Services	8,347	928	9,275
Automobile Expense	4,948	550	5,498
Utilities Expense	5,989	665	6,654
Supplies	7,659	851	8,510
Dues	2,070	230	2,300
Insurance	1,781	198	1,979
Depreciation	-	1,530	1,530
Legal and Professional Fees	1,921	214	2,135
Filing Fees	247	28	275
Professional Development	189	21	210
Postage	190	21	211
Total Expenses	\$ 504,395	\$ 57,575	\$ 561,970

See Notes to Financial Statements

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

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

	Program Services	Management and General	Total
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
Professional Development	331	37	368
Postage	226	25	251
Total Expenses	\$ 460,280	\$ 51,165	\$ 511,445

See Notes to Financial Statements

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31,

	<u>2025</u>	<u>2024</u>
Cash Flows From Operating Activities		
Cash Provided by Contracts	\$ 592,077	\$ 659,698
Cash Provided by Interest	37,834	34,330
Other Operating Cash Receipts	25,925	27,129
Cash Paid to Suppliers and Employees	(446,376)	(442,034)
Cash Paid for Special Projects and Grants	(49,101)	(74,154)
Other Operating Cash Payments	<u>(69,674)</u>	<u>(8,506)</u>
Net Cash Provided by Operating Activities	<u>90,685</u>	<u>196,463</u>
Cash Flows From Investing Activities		
Equipment Purchase	(1,463)	(1,405)
Principal Received on Loans Receivable	29,305	47,619
New Loans Originated	<u>(100,000)</u>	<u>-</u>
Net Cash Provided (Used) by Investing Activities	<u>(72,158)</u>	<u>46,214</u>
Cash Flows From Financing Activities	<u>-</u>	<u>-</u>
Net Change in Cash and Cash Equivalents	18,527	242,677
Cash and Cash Equivalents, January 1,	<u>1,295,717</u>	<u>1,053,040</u>
Cash and Cash Equivalents, December 31,	<u><u>\$ 1,314,244</u></u>	<u><u>\$ 1,295,717</u></u>

See Notes to Financial Statements

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025 AND 2024

***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 businesses, 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 Agency.

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, 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, 2025 or 2024.

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

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025 AND 2024

Note 1 Summary of Significant Accounting Policies - Continued

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, 2025, the Corporation had three loans outstanding with interest rates from 2.0% to 6.4% and various terms to maturity through 2040. 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, 2025 and 2024, the Corporation had a \$25,000 allowance for 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.

Marketing Costs

Marketing costs are comprised of print and audio media advertising and promotions. These costs are expensed when incurred and amounted to \$10,562 and \$16,218 for the years ended December 31, 2025 and 2024, respectively.

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025 AND 2024

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

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, 2025 and 2024, the Corporation had met the performance obligations in those respective agreements and recognized the corresponding revenue in the Statement of Activities.

Reclassifications

Certain financial statement items for 2024 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 March 6, 2026, 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, 2025 AND 2024

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, 2025 and 2024, 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 83% and 80% in 2025 and 2024, respectively, of its support from Cortland County. 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,:

		2025		
Asset	Cost	Accumulated Depreciation	Book Value	
Equipment	\$ 28,438	\$ 25,928	\$ 2,510	
Total	\$ 28,438	\$ 25,928	\$ 2,510	
		2024		
Asset	Cost	Accumulated Depreciation	Book Value	
Equipment	\$ 26,975	\$ 24,397	\$ 2,578	
Total	\$ 26,975	\$ 24,397	\$ 2,578	

Depreciation expense amounted to \$1,530 and \$1,298 for the years ended December 31, 2025 and 2024, respectively.

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025 AND 2024

Note 4 Loans Receivable - Revolving Loan Program

	2025	2024
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.	\$ 6,175	\$ 7,175
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.	22,949	34,962
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
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
Loan receivable from Rural Health Institute of NY, dated September 19, 2025, original amount: \$100,000, payable in monthly installments of \$884 including interest at 6%, maturing October 1, 2040.	100,000	-
Total Loans Outstanding	129,124	58,429
Less Allowance for Uncollectible Loans Receivable	(25,000)	(25,000)
Net Loans Outstanding	104,124	33,429
Less Current Portion	(18,368)	(5,704)
Long-Term Portion	\$ 85,756	\$ 27,725

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2025 AND 2024

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:

	Balance at December 31, 2024	Transfers In	Funds Used	Balance at December 31, 2025
Future Project Needs	\$ 340,000	\$ 100,000	\$ -	\$ 440,000
Training	30,438	-	-	30,438
Revolving Loan Funds	833,848	26,800	-	860,648
Total	\$ 1,204,286	\$ 126,800	\$ -	\$ 1,331,086
	Balance at December 31, 2023	Transfers In	Funds Used	Balance at December 31, 2024
Future Project Needs	\$ 340,000	\$ -	\$ -	\$ 340,000
Training	30,438	-	-	30,438
Revolving Loan Funds	799,693	34,155	-	833,848
Total	\$ 1,170,131	\$ 34,155	\$ -	\$ 1,204,286

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, 2025 and 2024 amounted to \$16,796 and \$13,469, 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 2025 the additional space remained not occupied. For the years ended December 31, 2025 and 2024, 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, 2025 AND 2024

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.

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, 2025 and 2024, 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 \$542,643, and \$534,770 for the years ended December 31, 2025 and 2024, 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>2025</u>	<u>2024</u>
Financial Assets at Year End		
Cash and Equivalents	\$ 1,314,244	\$ 1,295,717
Accounts Receivable	695	129
Loans Receivable - Current Portion	18,368	5,704
Total Financial Assets	<u>1,333,307</u>	<u>1,301,550</u>
Board Designated	<u>(1,331,086)</u>	<u>(1,204,286)</u>
Total Amounts Unavailable Within One Year	<u>(1,331,086)</u>	<u>(1,204,286)</u>
Total Financial Assets Available Within One Year	<u>\$ 2,221</u>	<u>\$ 97,264</u>

The Corporation manages its financial assets to be available as its operating expenditures, liabilities, and other obligations come due. Additionally, \$470,438 of the board designated amount is set aside by the board for the future needs of the Corporation and could be undesignated to meet any future liquidity needs.

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

CONSOLIDATING STATEMENTS OF FINANCIAL POSITION DECEMBER 31,

	2025			2024		
	Operating Fund	Revolving Loan Funds	Total	Operating Fund	Revolving Loan Funds	Total
ASSETS						
Current Assets						
Cash and Cash Equivalents:						
Unrestricted	\$ 557,720	\$ -	\$ 557,720	\$ 495,298	\$ -	\$ 495,298
Restricted	-	756,524	756,524	-	800,419	800,419
Total Cash and Cash Equivalents	557,720	756,524	1,314,244	495,298	800,419	1,295,717
Accounts Receivable	695	-	695	129	-	129
Security Deposits	5,800	-	5,800	5,800	-	5,800
Loans Receivable - Current Portion, Net of Allowance						
Disclosed in Note 4	-	18,368	18,368	-	5,704	5,704
Prepaid Expenses	5,172	-	5,172	5,111	-	5,111
Total Current Assets	569,387	774,892	1,344,279	506,338	806,123	1,312,461
Property and Equipment, Net of Accumulated						
Depreciation (\$25,928 and \$24,397 Respectively)	2,510	-	2,510	2,578	-	2,578
Loans Receivable - Long-Term Portion, Net of Allowance						
Disclosed in Note 4	-	85,756	85,756	-	27,725	27,725
Total Assets	\$ 571,897	\$ 860,648	\$ 1,432,545	\$ 508,916	\$ 833,848	\$ 1,342,764
LIABILITIES AND NET ASSETS						
Current Liabilities						
Accounts Payable	\$ -	\$ -	\$ -	\$ 4,250	\$ -	\$ 4,250
Accrued Payroll Liabilities	30	-	30	431	-	431
Security Deposits Held	2,400	-	2,400	2,400	-	2,400
Total Current Liabilities	2,430	-	2,430	7,081	-	7,081
Net Assets						
Net Assets Without Donor Restrictions	99,029	-	99,029	131,397	-	131,397
Net Assets Without Donor Restrictions - Board Designated	470,438	860,648	1,331,086	370,438	833,848	1,204,286
Total Net Assets	569,467	860,648	1,430,115	501,835	833,848	1,335,683
Total Liabilities and Net Assets	\$ 571,897	\$ 860,648	\$ 1,432,545	\$ 508,916	\$ 833,848	\$ 1,342,764

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

CONSOLIDATING STATEMENTS OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31,

	2025			2024		
	Operating Fund	Revolving Loan Funds	Total	Operating Fund	Revolving Loan Funds	Total
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS						
Operating Revenues						
Contracts and Support	\$ 542,643	\$ -	\$ 542,643	\$ 516,803	\$ -	\$ 516,803
Interest Income	11,034	26,800	37,834	399	33,931	34,330
Grant Revenue	-	-	-	17,967	-	17,967
Application Fees	-	-	-	-	224	224
Administrative Service Revenue	50,000	-	50,000	50,000	-	50,000
Rental Revenue	22,800	-	22,800	22,800	-	22,800
Other Revenue	3,125	-	3,125	4,105	-	4,105
Total Operating Revenues	629,602	26,800	656,402	612,074	34,155	646,229
Operating Expenses						
Program Services	504,395	-	504,395	460,280	-	460,280
Management and General	57,575	-	57,575	51,165	-	51,165
Total Operating Expenses	561,970	-	561,970	511,445	-	511,445
Changes in Net Assets	67,632	26,800	94,432	100,629	34,155	134,784
Net Assets, January 1,	501,835	833,848	1,335,683	401,206	799,693	1,200,899
Net Assets, December 31,	\$ 569,467	\$ 860,648	\$ 1,430,115	\$ 501,835	\$ 833,848	\$ 1,335,683



**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, 2025, 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 March 6, 2026.

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, slightly slanted style.

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
March 6, 2026



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
§2925(3)(f) OF THE NEW YORK STATE PUBLIC AUTHORITIES LAW**

To the Board of Directors of
Cortland County Business Development Corporation
Cortland, 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 Cortland County Business Development Corporation (the Corporation), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our opinion thereon dated March 6, 2026.

In connection with our audit, nothing came to our attention that caused us to believe the Corporation failed to comply with the Corporation's Investment Guidelines, the New York State Comptroller's Investment Guidelines, or §2925(3)(f) of the New York State Public Authorities Law (collectively, Investment Guidelines), which are the responsibility of the Corporation's management, insofar as they relate to the financial accounting knowledge of noncompliance with such Investment Guidelines.

This communication is intended solely for the information and use of the Board of Directors and management of the Corporation, and the Office of the Comptroller of the State of New York and is not intended to be, and should not be, used by anyone other than these specified parties.

Respectfully submitted,

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
March 6, 2026