



Cortland County

Business Development Corporation

Board of Directors Meeting
March 11, 2024 – Noon
40-42 Main Street, Suite A, 2nd Floor Cortland New York, 13045

Roll Call

Michael McMahon	<u>Chairman</u>	
Stephen Compagni	<u>Vice Chairman</u>	
Clint Brooks	<u>Secretary</u>	
Deborah Hayden	<u>Treasurer</u>	
Amy Kremenek	<u>Director</u>	
Donald Richards	<u>Director</u>	
Dr. Kathleen Burke	<u>Director</u>	
Jason Hage	<u>Director</u>	
Jerry Contento Jr.	<u>Director</u>	
Johanna Ames	<u>Director</u>	
Paul Dries	<u>Director</u>	
Renee Neiderman	<u>Director</u>	
Robert Edwards	<u>Director</u>	
Brendan O'Bryan	Executive Director	
John Sidd	Counsel-Hancock Estabrook LLP	
Karen Niday	Chief Financial Officer	
Eric Mulvihill	Economic Development Specialist	



Cortland County

Business Development Corporation

AGENDA

Approval of Minutes – February 12, 2024

New Business

Review/Approve 2023 BDC Independent Audit

Review/Approve 2023 BDC Procurement Report

Monthly Reports

- Finance Report
- Revolving Loan Fund
- Director's Report

Adjourn



Cortland County
Business Development Corporation

Minutes



Cortland County

Business Development Corporation

Minutes of the Board of Directors Meeting
February 12, 2024 – Noon
40-42 Main Street, Suite A, 2nd Floor Cortland New York, 13045

Roll Call – Chairman McMahon called the meeting to order at 12:27 P.M.

Michael McMahon	<u>Chairman</u>	<u>Present</u>
Stephen Compagni	<u>Vice Chairman</u>	<u>Absent</u>
Clint Brooks	<u>Secretary</u>	<u>Present</u>
Deborah Hayden	<u>Treasurer</u>	<u>Present</u>
Amy Kremenek	<u>Director</u>	<u>Present</u>
Donald Richards	<u>Director</u>	<u>Remote</u>
Dr. Kathleen Burke	<u>Director</u>	<u>Present</u>
Jason Hage	<u>Director</u>	<u>Present</u>
Jerry Contento Jr.	<u>Director</u>	<u>Present</u>
Johanna Ames	<u>Director</u>	<u>Present</u>
Paul Dries	<u>Director</u>	<u>Absent</u>
Renee Neiderman	<u>Director</u>	<u>Present</u>
Robert Edwards	<u>Director</u>	<u>Present</u>
Brendan O'Bryan	Executive Director	<u>Present</u>
John Sidd	Counsel-Hancock Estabrook LLP	<u>Present</u>
Karen Niday	Chief Financial Officer	<u>Present</u>
Eric Mulvihill	Economic Development Specialist	<u>Present</u>



AGENDA

Approval of Minutes – December 11, 2023 – Chairman McMahon made a motion to accept the minutes as present, Mr. Edwards seconded the motion; all voting in favor, none opposed.

New Business

1. Appoint Officers for 2024 - Chairman McMahon made a motion to approve the slate of officers for 2024 as presented, Mr. Hage seconded the motion; all voting in favor, none opposed.
2. Appoint Signatories - Chairman McMahon made a motion to approve the proposed agency signatories for 2024 as presented, Mr. Hage seconded the motion; all voting in favor, none opposed.
3. Appoint Standing Committees - Chairman McMahon made a motion to approve the standing committees for 2024 as presented, Mr. Hage seconded the motion; all voting in favor, none opposed.
4. BDC Board Evaluations – The Board was provided with the evaluation forms.
5. Cortland County Annual Financial Disclosure Statements - The Board was provided the financial disclosure forms
6. NYS Mandated Board Member Training Sign-ups - the Board was provided with upcoming training dates.
7. Review/Approve 2023 BDC Acquisition & Disposition of Real Property Report - Ms. Niday reviewed the 2023 BDC Acquisition & Disposition of Real Property Report with the Board. Chairman McMahon made a motion to accept the report as presented, Mr. Hage seconded the motion; all in favor, none opposed.
8. Review/Approve 2023 BDC Investment Report - Ms. Niday reviewed the 2023 BDC investment report with the Board. Chairman McMahon made a motion to accept the report as presented, Mr. Hage seconded the motion; all in favor, none opposed.

Monthly Reports

- Finance Report – Ms. Niday reviewed the monthly financial statements



Cortland County

Business Development Corporation

- Revolving Loan Fund – Ms. Niday reviewed the revolving loan fund statements. Mr. Hage asked there had been any discussions with new borrowers, Ms. Niday said there had not.

Mr. O’Bryan reviewed the Board member Strategic planning questionnaire that had been provided to board members. The board engaged in discussions regarding the questions outlined in the questionnaire. Mr. O’Bryan indicated he planned to continue the discussion at future meetings.

Adjourn – The meeting was adjourned at 1:14 P.M.

DRAFT



New Business

**COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE
AT THE CONCLUSION OF THE AUDIT**

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

We have audited the financial statements of Cortland County Business Development Corporation (the Corporation), for the year ended December 31, 2023, and issued our report thereon dated February 20, 2024. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards 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 letter to you dated December 6, 2023. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

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. During the year ending December 31, 2023, the Corporation adopted Accounting Standards Update (ASU) 2016-13, “Financial Instruments-Credit Losses (Topic 326). Other than the adoption of ASU 2016-13, no new accounting policies were adopted, and the application of existing policies was not changed during 2023. 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 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. The most sensitive estimates affecting the financial statements were the allowance for uncollectable loans receivable and the allocation of functional expenses.

Management’s estimate of the allowance for uncollectable loans receivable is based on the likelihood the Corporation will not receive loan payments based on known facts and prior experience. Management’s estimate of the allocation of functional expenses is based on time and effort, square footage, and full-time equivalents. We have evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was:

The disclosure of loans receivable, the details of which are presented in Note 4 to the financial statements.

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 known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no misstatements detected as a result of audit procedures.

Disagreements With Management

For purposes of this letter, 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 dated February 20, 2024.

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 each year prior to retention 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 retention.

Cortland County Business Development Corporation

February 20, 2024

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Restriction on Use

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

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

February 20, 2024

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

Cortland, New York

FINANCIAL REPORT

**For the Years Ended
December 31, 2023 and 2022**



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 Cortland County Business Development Corporation (the Corporation), a nonprofit corporation, which comprise the Statements of Financial Position as of December 31, 2023 and 2022, 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 Cortland County Business Development Corporation as of December 31, 2023 and 2022, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 20, 2024 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 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
February 20, 2024

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

STATEMENTS OF FINANCIAL POSITION DECEMBER 31,

	2023			2022		
	Operating Fund	Revolving Loan Funds	Total	Operating Fund	Revolving Loan Funds	Total
ASSETS						
Current Assets						
Cash and Cash Equivalents:						
Unrestricted	\$ 334,395	\$ -	\$ 334,395	\$ 480,795	\$ -	\$ 480,795
Restricted	-	718,645	718,645	-	639,340	639,340
Total Cash and Cash Equivalents	334,395	718,645	1,053,040	480,795	639,340	1,120,135
Accounts Receivable	93,024	-	93,024	92,910	-	92,910
Security Deposits	5,800	-	5,800	5,800	-	5,800
Loans Receivable - Current Portion, Net of Allowance and Discount Disclosed in Note 4	-	60,428	60,428	-	36,210	36,210
Prepaid Expenses	5,246	-	5,246	5,052	-	5,052
Total Current Assets	438,465	779,073	1,217,538	584,557	675,550	1,260,107
Property and Equipment, Net of Accumulated Depreciation (\$23,099 and \$21,595 Respectively)	2,471	-	2,471	1,764	-	1,764
Loans Receivable - Long-Term Portion, Net of Allowance and Discount Disclosed in Note 4	-	20,620	20,620	-	106,739	106,739
Total Assets	\$ 440,936	\$ 799,693	\$ 1,240,629	\$ 586,321	\$ 782,289	\$ 1,368,610
LIABILITIES AND NET ASSETS						
Current Liabilities						
Accounts Payable	\$ 19,041	\$ -	\$ 19,041	\$ 1,869	\$ -	\$ 1,869
Accrued Payroll Liabilities	322	-	322	189	-	189
Security Deposits Held	2,400	-	2,400	2,400	-	2,400
Deferred Revenues	17,967	-	17,967	206,467	-	206,467
Total Current Liabilities	39,730	-	39,730	210,925	-	210,925
Net Assets						
Net Assets Without Donor Restrictions	30,768	-	30,768	4,958	-	4,958
Net Assets Without Donor Restrictions - Board Designated	370,438	799,693	1,170,131	370,438	782,289	1,152,727
Total Net Assets	401,206	799,693	1,200,899	375,396	782,289	1,157,685
Total Liabilities and Net Assets	\$ 440,936	\$ 799,693	\$ 1,240,629	\$ 586,321	\$ 782,289	\$ 1,368,610

See Notes to Financial Statements

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

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

	2023			2022		
	<u>Operating Fund</u>	<u>Revolving Loan Funds</u>	<u>Total</u>	<u>Operating Fund</u>	<u>Revolving Loan Funds</u>	<u>Total</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS						
Operating Revenues						
Contracts and Support	\$ 492,193	\$ -	\$ 492,193	\$ 455,735	\$ -	\$ 455,735
Interest Income	2,138	17,421	19,559	695	32,165	32,860
Grant Revenue	188,500	-	188,500	393,533	-	393,533
Administrative Service Revenue	50,000	-	50,000	50,000	-	50,000
Rental Revenue	27,000	-	27,000	27,000	-	27,000
Total Operating Revenues	<u>759,831</u>	<u>17,421</u>	<u>777,252</u>	<u>926,963</u>	<u>32,165</u>	<u>959,128</u>
Operating Expenses						
Program Services	677,619	17	677,636	967,349	209	967,558
Management and General	56,402	-	56,402	54,742	-	54,742
Total Operating Expenses	<u>734,021</u>	<u>17</u>	<u>734,038</u>	<u>1,022,091</u>	<u>209</u>	<u>1,022,300</u>
Changes in Net Assets	25,810	17,404	43,214	(95,128)	31,956	(63,172)
Net Assets, January 1,	<u>375,396</u>	<u>782,289</u>	<u>1,157,685</u>	<u>470,524</u>	<u>750,333</u>	<u>1,220,857</u>
Net Assets, December 31,	<u>\$ 401,206</u>	<u>\$ 799,693</u>	<u>\$ 1,200,899</u>	<u>\$ 375,396</u>	<u>\$ 782,289</u>	<u>\$ 1,157,685</u>

See Notes to Financial Statements

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

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

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

See Notes to Financial Statements

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Services	Management and General	Total
Salaries	\$ 252,868	\$28,097	\$ 280,965
American Rescue Plan Act Payments	393,533	-	393,533
Employee Benefits	60,312	6,701	67,013
Occupancy	45,900	5,100	51,000
Payroll Taxes	20,589	2,288	22,877
Special Projects Expense	114,000	-	114,000
Equipment Rental and Maintenance	12,987	1,443	14,430
Marketing	29,556	-	29,556
Accounting and Payroll Services	7,195	800	7,995
Automobile Expense	2,375	4,411	6,786
Travel	4,000	1,000	5,000
Utilities Expense	6,290	699	6,989
Telephone, Fax, Internet	4,947	550	5,497
Supplies	3,323	369	3,692
Depreciation	-	2,684	2,684
Dues	2,381	-	2,381
Legal and Professional Fees	3,112	346	3,458
Insurance	1,655	184	1,839
Conferences and Meetings	1,902	-	1,902
Postage	408	45	453
Filing Fees	225	25	250
Total Expenses	\$ 967,558	\$ 54,742	\$ 1,022,300

See Notes to Financial Statements

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31,

	<u>2023</u>	<u>2022</u>
Cash Flows From Operating Activities		
Cash Provided by Contracts	\$ 542,079	\$ 505,051
Cash Provided by Grants	-	600,000
Cash Provided by Interest	19,559	9,917
Other Operating Cash Receipts	27,000	27,000
Cash Paid to Suppliers and Employees	(498,003)	(501,986)
Cash Paid for Special Projects and Grants	(203,500)	(507,533)
Other Operating Cash Payments	<u>(13,920)</u>	<u>(9,852)</u>
Net Cash Provided by Operating Activities	<u>(126,785)</u>	<u>122,597</u>
Cash Flows From Investing Activities		
Equipment Purchase	(2,211)	-
Principal Received on Loans Receivable	<u>61,901</u>	<u>140,393</u>
Net Cash Provided by Investing Activities	<u>59,690</u>	<u>140,393</u>
Cash Flows From Financing Activities	<u>-</u>	<u>-</u>
Net Change in Cash and Cash Equivalents	(67,095)	262,990
Cash and Cash Equivalents, January 1,	<u>1,120,135</u>	<u>857,145</u>
Cash and Cash Equivalents, December 31,	<u><u>\$1,053,040</u></u>	<u><u>\$1,120,135</u></u>
Non-Monetary Investing and Financing Activities:		
Amortization of Discount	<u><u>\$ -</u></u>	<u><u>\$ 22,943</u></u>

See Notes to Financial Statements

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

Note 1 Summary of Significant Accounting Policies

Business Activity

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, 2023 or 2022.

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, 2023 AND 2022

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, 2023, the Corporation had eight loans outstanding with interest rates raising from 2% to 6% and various terms to maturity through 2025. 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, 2023 and 2022, 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, 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, 2023 AND 2022

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 \$16,639 and \$29,556 for the years ended December 31, 2023 and 2022, 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 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, 2023 and 2022, the Corporation had met the performance obligations in those respective agreements and recognized the corresponding revenue in the Statement of Activities. Additionally, during 2022, the Corporation received grant revenue related to the American Rescue Plan Act (ARPA) through Cortland County and disbursed funds to qualifying organizations in accordance with the grant agreement. During the year ended 2023, the Corporation still had ARPA funds to disburse. 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.

Recent Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (ASU 2016-13), which requires the measurement and recognition of expected credit losses for financial assets held at amortized cost. ASU 2016-13 replaces the existing incurred loss model with a forward-looking expected loss model which results in earlier recognition of credit losses. ASU 2016-13 is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years.

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

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

Recent Accounting Pronouncements - Continued

The Corporation adopted ASU 2016-13 as of January 1, 2023 using a modified retrospective approach. The adoption of this standard did not have a material impact on the Corporation's financial statements.

Evaluation of Subsequent Events

The Corporation has evaluated events and transactions for potential recognition or disclosure in the financial statements through February 20, 2024, 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.

During 2022, the Corporation renewed its agreement with Cortland 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, 2023 and 2022, 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 63% and 48% in 2023 and 2022, 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. During 2022, the Corporation recognized \$393,533 in grant income for the ARPA program through Cortland County, accounting for an additional 41% 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.

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

Note 3 Property and Equipment

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

<u>Asset</u>	<u>2023</u>		
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
Equipment	<u>\$ 25,570</u>	<u>\$ 23,099</u>	<u>\$ 2,471</u>
Total	<u>\$ 25,570</u>	<u>\$ 23,099</u>	<u>\$ 2,471</u>

<u>Asset</u>	<u>2022</u>		
	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Book Value</u>
Equipment	<u>\$ 23,359</u>	<u>\$ 21,595</u>	<u>\$ 1,764</u>
Total	<u>\$ 23,359</u>	<u>\$ 21,595</u>	<u>\$ 1,764</u>

Depreciation expense amounted to \$1,504 and \$2,684 for the years ended December 31, 2023 and 2022, respectively.

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

Note 4 Loans Receivable - Revolving Loan Program

	2023	2022
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.	\$ 9,575	\$ 11,975
Loan receivable from S&D Mironi, dated August 9, 2019, original amount: \$63,000, payable in monthly installments of \$699 including interest at 6%, maturing September 31, 2024.	40,731	46,491
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.	28,837	44,009
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%, maturing May 1, 2024.	3,563	11,993
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%, maturing May 1, 2024.	3,563	11,993
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%, maturing September 1, 2024.	6,391	14,765
COVID-19 Loan receivable from Mironi Enterprises, Inc., dated September 23, 2020, original amount: \$15,000, payable in monthly installments of \$430 including interest at 2%, maturing October 1, 2024.	4,187	9,203
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.	9,201	17,520
Total Loans Outstanding	106,048	167,949
(Less) Allowance for Uncollectible Loans Receivable	(25,000)	(25,000)
Net Loans Outstanding	81,048	142,949
(Less) Current Portion	(60,428)	(36,210)
Long-Term Portion	\$ 20,620	\$ 106,739

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

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, 2022	Transfers In	Funds Used	Balance at December 31, 2023
Future Project Needs	\$ 340,000	\$ -	\$ -	\$ 340,000
Training	30,438	-	-	30,438
Revolving Loan Funds	782,289	17,421	(17)	799,693
Total	\$ 1,152,727	\$ 17,421	\$ (17)	\$ 1,170,131
	Balance at December 31, 2021	Transfers In	Funds Used	Balance at December 31, 2022
Future Project Needs	\$ 340,000	\$ -	\$ -	\$ 340,000
Training	30,438	-	-	30,438
Revolving Loan Funds	750,333	32,165	(209)	782,289
Total	\$ 1,120,771	\$ 32,165	\$ (209)	\$ 1,152,727

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, 2023 and 2022 amounted to \$22,692 and \$22,958, respectively.

Note 7 Short-Term Leases

Commencing January 1, 2020, the Corporation moved 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 is for three separate spaces in the same building. The first space was occupied by the Corporation for their operations and the base rent is \$24,000 annually, payable in monthly installments. During the 2023 fiscal year, additional space was rented on a month to month basis for \$700 each month. The other two spaces are used by the Corporation to sublet to other tenants for a combined additional \$27,000 annually, payable in monthly installments. The Corporation only has to pay for the additional space when it is not occupied. During 2023, the Corporation did sublet the other two spaces. For the years ended December 31, 2023 and 2022, the Corporation recognized rental revenue of \$27,000 and combined occupancy expense of \$51,000.

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

Note 8 Deferred Revenue

During the year ended December 31, 2022, Cortland County granted the Corporation \$600,000 in American Rescue Plan Act (ARPA) grant funds. The Corporation used the grant funds during the years to run three grant programs designed to help local businesses.

The portion spent and deferred during the year are as follows:

	2023	2022
Beginning Balance	\$ 206,467	\$ -
ARPA Funds Awarded	-	600,000
Small Business Expansion Assistance	(26,040)	(256,716)
Sign, Façade, and Street Frontage	(157,460)	(116,817)
Downtown Business Assistance	(5,000)	(20,000)
Current Year Disbursements	(188,500)	(393,533)
Total Deferred Revenue	\$ 17,967	\$ 206,467

Note 9 Related Party Transactions

Cortland County Industrial Development Agency (the Agency) was created for the purpose of advancing job opportunities, 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, 2023 and 2022, the Corporation had an accounts receivable balance of \$91,835 and \$91,835 due from the Agency. The receivable is expected to be paid when the related Contento property transferred to the Agency is sold by the Agency. The Board approved transfer of the balance due when the property is sold by the Agency.

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, 2023 and 2022, 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 \$680,693, and \$849,268 for the years ended December 31, 2023 and 2022, respectively.

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

Note 10 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>2023</u>	<u>2022</u>
Financial Assets at Year End		
Cash and Equivalents	\$ 1,053,040	\$ 1,120,135
Accounts Receivable	93,024	92,910
Loans Receivable - Current Portion	60,428	36,210
Total Financial Assets	<u>1,206,492</u>	<u>1,249,255</u>
Board Designated	<u>(1,170,131)</u>	<u>(1,152,727)</u>
Total Amounts Unavailable Within One Year	<u>(1,170,131)</u>	<u>(1,152,727)</u>
Total Financial Assets Available Within One Year	<u>\$ 36,361</u>	<u>\$ 96,528</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 Cortland County Business Development Corporation (the Corporation), which comprise the Statement of Financial Position as of December 31, 2023, 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 20, 2024.

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,



Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
February 20, 2024

MANAGEMENT COMMENT LETTER

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

In planning and performing our audit of the financial statements of the Cortland County Business Development Corporation (the Corporation) as of and for the year ended December 31, 2023, in accordance with auditing standards generally accepted in the United States of America, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing auditing 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.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. 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.

This letter does not affect our report dated February 20, 2024, on the financial statements of the Corporation.

Cortland County Business Development Corporation

February 20, 2024

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We would like to thank you and your staff for their cooperation and support given to us during the course of the audit. We appreciate the opportunity to be of service to you and look forward to our continued involvement.

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

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
February 20, 2024



Cortland County
Business Development Corporation

Review/Approve 2023 BDC Procurement Report

Procurement Report for Cortland County Business Development Corporation

Fiscal Year Ending: 12/31/2023

Run Date: 02/28/2024

Status: CERTIFIED

Certified Date : 02/28/2024

Procurement Information:

Question	Response	URL (If Applicable)
1. Does the Authority have procurement guidelines?	Yes	www.cortlandbusiness.com
2. Are the procurement guidelines reviewed annually, amended if needed, and approved by the Board?	Yes	
3. Does the Authority allow for exceptions to the procurement guidelines?	No	
4. Does the Authority assign credit cards to employees for travel and/or business purchases?	Yes	
5. Does the Authority require prospective bidders to sign a non-collusion agreement?	No	
6. Does the Authority incorporate a summary of its procurement policies and prohibitions in its solicitation of proposals, bid documents, or specifications for procurement contracts?	Yes	
7. Did the Authority designate a person or persons to serve as the authorized contact on a specific procurement, in accordance with Section 139-j(2)(a) of the State Finance Law, "The Procurement Lobbying Act"?	Yes	
8. Did the Authority determine that a vendor had impermissible contact during a procurement or attempted to influence the procurement during the reporting period, in accordance with Section 139-j(10) of the State Finance Law?	No	
8a. If Yes, was a record made of this impermissible contact?		
9. Does the Authority have a process to review and investigate allegations of impermissible contact during a procurement, and to impose sanctions in instances where violations have occurred, in accordance with Section 139-j(9) of the State Finance Law?	No	

Procurement Report for Cortland County Business Development Corporation

Fiscal Year Ending: 12/31/2023

Run Date: 02/28/2024

Status: CERTIFIED

Certified Date : 02/28/2024

Procurement Transactions Listing:

1. Vendor Name	Eve's Broadcasting, Inc	Address Line1	P.O. Box 386
Type of Procurement	Other	Address Line2	
Award Process	Non Contract Procurement/Purchase Order	City	HOMER
Award Date		State	NY
End Date		Postal Code	13077
Fair Market Value		Plus 4	
Amount		Province/Region	
Amount Expended For Fiscal Year	\$8,050.00	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Radio advertisements for BDC services and community events

2. Vendor Name	Insero & Co CPAs LLP	Address Line1	401 E State Street Suite 500
Type of Procurement	Other Professional Services	Address Line2	
Award Process	Authority Contract - Non-Competitive Bid	City	ITHACA
Award Date	6/12/2023	State	NY
End Date	5/15/2027	Postal Code	14850
Fair Market Value	\$41,500.00	Plus 4	
Amount	\$41,500.00	Province/Region	
Amount Expended For Fiscal Year	\$7,500.00	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Annual independent audit

Procurement Report for Cortland County Business Development Corporation

Fiscal Year Ending: 12/31/2023

Run Date: 02/28/2024

Status: CERTIFIED

Certified Date : 02/28/2024

3. Vendor Name	Plan First Technologies, Inc.	Address Line1	17 Main Street
Type of Procurement	Technology - Consulting/Development or Support	Address Line2	
Award Process	Non Contract Procurement/Purchase Order	City	CORTLAND
Award Date		State	NY
End Date		Postal Code	13045
Fair Market Value		Plus 4	
Amount		Province/Region	
Amount Expended For Fiscal Year	\$6,387.38	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	IT services

4. Vendor Name	Pracademic Partners, LLC	Address Line1	6534 Florence Lane
Type of Procurement	Other Professional Services	Address Line2	
Award Process	Authority Contract - Non-Competitive Bid	City	LIVONIA
Award Date	5/7/2023	State	NY
End Date	5/7/2025	Postal Code	14487
Fair Market Value	\$18,000.00	Plus 4	
Amount	\$18,000.00	Province/Region	
Amount Expended For Fiscal Year	\$18,000.00	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Executive Employment Search Services

Procurement Report for Cortland County Business Development Corporation

Fiscal Year Ending: 12/31/2023

Run Date: 02/28/2024

Status: CERTIFIED

Certified Date : 02/28/2024

Additional Comments



Monthly Financial Reports

**Business Development Corporation
Budget Summary
February 29, 2024**

	BUDGETED AMOUNT	EXPENDED YTD	AVAILABLE BALANCE	% BUDGET REMAINING
Personnel:				
Executive Director Salary	120,000.00	18,461.52	101,538.48	84.62%
Econ. Dev. Specialist Salary	101,171.00	15,564.76	85,606.24	84.62%
Community Relations Salary	76,712.00	11,801.84	64,910.16	84.62%
Employee Benefits	49,200.00	9,128.45	40,071.55	81.45%
DB/PFL Insurance	100.00	-191.08	291.08	291.08%
FICA	23,553.00	3,558.71	19,994.29	84.89%
FUTA	126.00	294.00	-168.00	-133.33%
SUI	1,000.00	776.43	223.57	22.36%
Retirement	21,019.00	2,146.56	18,872.44	89.79%
Workers C Insurance	1,200.00	42.16	1,157.84	96.49%
TOTAL PERSONNEL	394,081.00	61,583.35	332,497.65	84.37%
Insurances:				
Directors Liability	1,600.00	226.80	1,373.20	85.83%
Business Property	800.00	90.92	709.08	88.64%
TOTAL INSURANCES	2,400.00	317.72	2,082.28	86.76%
Contractual:				
Audit	7,900.00	4,500.00	3,400.00	43.04%
Charities Bureau	275.00	0.00	275.00	100.00%
401K Admin/5500	600.00	600.00	0.00	0.00%
Legal	7,000.00	0.00	7,000.00	100.00%
TOTAL CONTRACTUAL	15,775.00	5,100.00	10,675.00	67.67%
Office:				
Rent	28,200.00	4,700.00	23,500.00	83.33%
Sublet Rent	22,800.00	3,800.00	19,000.00	83.33%
Internet/Web Site	15,000.00	1,439.86	13,560.14	90.40%
Telephone	3,500.00	392.86	3,107.14	88.78%
Office Expense	6,000.00	1,091.92	4,908.08	81.80%
Postage	1,000.00	16.83	983.17	98.32%
Office Maintenance	6,500.00	502.85	5,997.15	92.26%
Equipment Purchase	7,000.00	0.00	7,000.00	100.00%
Equipment Maintenance	3,000.00	481.94	2,518.06	83.94%
Equipment Lease	5,250.00	849.55	4,400.45	83.82%
Professional Services	6,000.00	0.00	6,000.00	100.00%
Payroll Services	840.00	150.00	690.00	82.14%
Dues	2,750.00	1,464.00	1,286.00	46.76%
Subscriptions/Publications	1,500.00	312.00	1,188.00	79.20%
Meetings/Seminars	5,000.00	0.00	5,000.00	100.00%
Administrative Board Meetings	800.00	44.82	755.18	94.40%
Special projects	112,000.00	0.00	112,000.00	100.00%
Gas/Parking/Tolls	2,000.00	0.00	2,000.00	100.00%
EDS Auto Allowance	5,000.00	769.24	4,230.76	84.62%
Exec Director Auto Allowance	5,000.00	769.24	4,230.76	84.62%
Utilities	9,500.00	1,823.23	7,676.77	80.81%
TOTAL OFFICE	248,640.00	18,608.34	230,031.66	92.52%

**Business Development Corporation
Budget Summary
February 29, 2024**

	BUDGETED AMOUNT	EXPENDED YTD	AVAILABLE BALANCE	% BUDGET REMAINING
Marketing:				
Marketing	40,000.00	0.00	40,000.00	100.00%
TOTAL MARKETING	40,000.00	0.00	40,000.00	100.00%
TOTALS :				
	700,896.00	85,609.41	615,286.59	87.79%
Non Budget Expenses:				
ARPA Grant Programs		15,523.34		
Agri Economic Event		256.00		
		15,779.34		
Total Budget and Non Budget:		101,388.75		

Business Development Corp
Balance Sheet
February 29, 2024

ASSETS

Current Assets		
Petty Cash	\$	145.00
NBT - Checking		217,603.80
NBT-Cty ARPA MM Acct		4,854.57
NBT Money market savings		175,023.72
A/R: CVB		266.05
A/R: SUNY Cortland		1,550.00
Security Deposits		5,800.00
Prepaid Expenses		<u>6,051.47</u>
Total Current Assets		411,294.61
Property and Equipment		
Office Equipmnt/Furniture		25,569.86
Accumulated Depreciation		<u>(23,098.91)</u>
Total Property and Equipment		2,470.95
Other Assets		
A/R-IDA Contento Property		<u>91,834.93</u>
Total Other Assets		<u>91,834.93</u>
Total Assets	\$	<u><u>505,600.49</u></u>

LIABILITIES AND FUND BALANCE

Current Liabilities		
Accounts Payable	\$	250.00
Accrued Fed Unemployment		126.00
Accrued NYS Unemployment		772.86
Deferred Revenue		<u>2,443.25</u>
Total Current Liabilities		3,592.11
Long-Term Liabilities		
Sublet Security Deposit		<u>2,400.00</u>
Total Long-Term Liabilities		<u>2,400.00</u>
Total Liabilities		5,992.11
Fund Balance		
Unrestricted net assets		30,768.28
Board designated net assets		370,437.71
Net Income		<u>98,402.39</u>
Total Fund Balance		<u>499,608.38</u>
Total Liabilities & Fund Balance	\$	<u><u>505,600.49</u></u>

Business Development Corp
Income Statement
For the Two Months Ending February 29, 2024

	Current Month Actual	Current Month Budget	Variance	Year to Date Actual	Year to Date Budget	Variance
REVENUE AND SUPPORT						
County Gov't Funding	129,200.75	129,200.75	0.00	129,200.75	129,200.75	0.00
IDA Administrative Support	0.00	0.00	0.00	50,000.00	50,000.00	0.00
Sublet Rent	1,900.00	1,900.00	0.00	3,800.00	3,800.00	0.00
Interest Income	33.78	0.00	33.78	87.05	0.00	87.05
Total General Revenue	131,134.53	131,100.75	33.78	183,087.80	183,000.75	87.05
Projects & Events Income						
Grant Revenue County ARP	3,911.45	0.00	3,911.45	15,523.34	0.00	15,523.34
Agri Econ Summit Income	680.00	0.00	680.00	1,180.00	0.00	1,180.00
Total Projects & Events	4,591.45	0.00	4,591.45	16,703.34	0.00	16,703.34
Special Project Grants						
Total Special Projects	0.00	0.00	0.00	0.00	0.00	0.00
Total Revenue & Support	135,725.98	131,100.75	4,625.23	199,791.14	183,000.75	16,790.39
EXPENDITURES						
General Expenses						
Salary-Executive Director	9,230.76	9,230.76	0.00	18,461.52	18,461.52	0.00
Salary-Economic Dev Spec.	7,782.38	7,782.38	0.00	15,564.76	15,564.76	0.00
Salary-Community Relations	5,900.92	5,900.92	0.00	11,801.84	11,801.84	0.00
Employee Benefits	3,875.39	3,543.35	332.04	9,128.45	8,796.41	332.04
Pension 401 K expenses	600.00	600.00	0.00	600.00	600.00	0.00
Retirement Contributions	1,073.28	1,073.28	0.00	2,146.56	2,146.56	0.00
Employers F.I.C.A	1,763.63	1,816.77	(53.14)	3,558.71	3,633.54	(74.83)
Fed Unemployment Tax	7.39	7.39	0.00	294.00	126.00	168.00
State Unemploymnt Insure	275.51	497.35	(221.84)	776.43	994.70	(218.27)
DBL/ PFL Insurance	(95.54)	8.33	(103.87)	(191.08)	16.66	(207.74)
Workers Comp Insure	(40.92)	100.00	(140.92)	42.16	200.00	(157.84)
Office Rent	2,350.00	2,350.00	0.00	4,700.00	4,700.00	0.00
Sublet Rent	1,900.00	1,900.00	0.00	3,800.00	3,800.00	0.00
Internet/Web Site	1,289.93	1,289.93	0.00	1,439.86	1,439.86	0.00
Telephone	212.89	291.67	(78.78)	392.86	583.34	(190.48)
Office Expense	714.15	500.00	214.15	1,091.92	1,000.00	91.92
Postage	(15.94)	83.33	(99.27)	16.83	166.66	(149.83)
Office Maintenance	378.86	541.67	(162.81)	502.85	1,083.34	(580.49)
Equipment Maintenance	202.50	250.00	(47.50)	481.94	500.00	(18.06)
Office Equipment Lease	88.69	275.82	(187.13)	849.55	1,036.68	(187.13)
Accounting	4,500.00	6,900.00	(2,400.00)	4,500.00	6,900.00	(2,400.00)
Payroll Service	75.00	70.00	5.00	150.00	140.00	10.00
Dues	214.00	214.00	0.00	1,464.00	1,464.00	0.00
Subscriptions/Publication	312.00	312.00	0.00	312.00	312.00	0.00
Agri Econ Event	256.00	0.00	256.00	256.00	0.00	256.00
Directors & Officers Ins.	113.38	133.33	(19.95)	226.80	266.66	(39.86)
Property Insurance	45.46	66.67	(21.21)	90.92	133.34	(42.42)
Board Meetings	44.82	44.82	0.00	44.82	44.82	0.00
EDS Auto Allowance	384.62	384.62	0.00	769.24	769.24	0.00
Auto Allowance/Director	384.62	384.62	0.00	769.24	769.24	0.00
Utilities	1,186.06	791.67	394.39	1,823.23	1,583.34	239.89
Total General Expenses	45,009.84	47,344.68	43 (2,334.84)	85,865.41	89,034.51	(3,169.10)

Business Development Corp
Income Statement
For the Two Months Ending February 29, 2024

	Current Month Actual	Current Month Budget	Variance	Year to Date Actual	Year to Date Budget	Variance
Projects and Events						
Cty ARPA Grant Programs	3,911.45	0.00	3,911.45	15,523.34	0.00	15,523.34
Total Projects & Events	3,911.45	0.00	3,911.45	15,523.34	0.00	15,523.34
Special Projects Expense						
Total Special Projects	0.00	0.00	0.00	0.00	0.00	0.00
Other Income/Expense						
Total Other Income/Expense	0.00	0.00	0.00	0.00	0.00	0.00
Total Expenses	48,921.29	47,344.68	1,576.61	101,388.75	89,034.51	12,354.24
NET INCOME	<u>86,804.69</u>	<u>83,756.07</u>	<u>3,048.62</u>	<u>98,402.39</u>	<u>93,966.24</u>	<u>4,436.15</u>



Cortland County
Business Development Corporation

Revolving Loan Fund

CORTLAND COUNTY BUSINESS DEVELOPMENT CORP. RLF

February 29, 2024

BORROWER	Rating	Original Loan Amount	Mthly Pymnt Amount	Date Last Paid	# of Total Payments	# of Payments Remaining	# of Payments Past Due	Amount Past Due	LOAN BALANCE
Armideo Housing (COVID)	**	\$ 25,000.00	\$ 716.06	2/15/2024	36	3			\$ 2,141.23
J Brown Performance Horse	****	\$25,000.00	\$ 716.06	2/1/2024	36	11			\$ 8,500.53
Community Restaurant COVID	**	\$ 25,000.00	\$ 716.06	2/27/2024	36	3			\$ 2,141.23
60 Main LLC COVID	***	\$ 25,000.00	\$ 716.06	2/27/2024	36	7			\$ 4,979.36
Mironti Enterprise COVID	****	\$15,000.00	\$ 429.64	2/1/2024	36	8			\$ 3,341.46
Community Restaurant/NAFS		\$75,000.00	\$ 1,449.96	2/27/2024	60	19			\$ 26,218.70
Mironti, Sandro & Denise		\$63,000.00	\$ 699.43	02/01/24	60	7			\$ 39,736.58
P Smith/Crown Stove		\$50,000.00	\$ 555.10	02/28/24	120			*	\$ 9,175.24
Allowance for doubtful accts									(\$25,000.00)
		\$ 303,000.00	\$ 5,998.37					\$ -	\$ 71,234.33

BDC RLF Assets as of
2/29/2024
Less outstanding loans
Funds available

\$804,879.09
\$ (71,234.33)
\$ 733,644.76

Rating * W - Watch L Rating * W - Watch List
Rating D - Legal Proc Rating D - Legal Proceedings
Rating B-Bankruptcy Proceedings

* Any monies received are applied as principal payments

** COVID loan-payments begin 6/1/2021
***COVID loan-payments begin 10/1/2021
****COVID loan-payments begin 11/1/2021
*****Covid loan-payments begin 2/1/2022

BDC Revolving Loan Fund
Balance Sheet
February 29, 2024

ASSETS

Current Assets		
NBT-Checking	\$	16,074.98
Tompkins Trust-Money Mkt		101,197.13
NBT Money market account		616,372.65
		733,644.76
Total Current Assets		
Property and Equipment		
		0.00
Total Property and Equipment		
Receivables		
Armideo Housing LLC (COVID)		2,141.23
J. Brown Perform Horse(COVID)		8,500.53
Community Restaurant (COVID)		2,141.23
Mironti Enterprises Inc (COVID)		3,341.46
Paul Smith		9,175.24
60 MAIN LLC (COVID)		4,979.36
Community Restaurant/NAFS1571		26,218.70
Sandro & Denise Mironti		39,736.58
Allowance for Doubtful Accts		(25,000.00)
		71,234.33
Total Receivables		
		804,879.09
Total Assets		
	\$	804,879.09

LIABILITIES AND FUND BALANCE

Current Liabilities		
		0.00
Total Current Liabilities		
Long-Term Liabilities		
		0.00
Total Long-Term Liabilities		
Total Liabilities		
		0.00
Fund Balance		
Retained Earnings	\$	799,692.20
Net Income		5,186.89
		804,879.09
Total Fund Balance		
		804,879.09
Total Liabilities & Fund Balance		
	\$	804,879.09

BDC Revolving Loan Fund
Income Statement
For the Two Months Ending February 29, 2024

	Current Month	Ratio	Year to Date	Ratio
Revenue				
Interest on Deposits	\$ 2,195.89	85.26	\$ 4,429.89	85.41
Interest on Loans	<u>379.54</u>	14.74	<u>757.00</u>	14.59
Total Revenue	<u>2,575.43</u>	100.00	<u>5,186.89</u>	100.00
TOTAL REVENUE	<u>2,575.43</u>	100.00	<u>5,186.89</u>	100.00
Expenses				
Total Expenses	<u>0.00</u>	0.00	<u>0.00</u>	0.00
Net Income	<u>\$ 2,575.43</u>	100.00	<u>\$ 5,186.89</u>	100.00



Director's Report