



# Cortland County

Business Development Corporation

**Board of Directors Special Meeting**  
**March 27, 2023 – Noon**  
**40-42 Main Street, Suite A, 2<sup>nd</sup> Floor Cortland New York, 13405**

## Roll Call

Michael McMahon	<u>Chairman</u>	
Stephen Compagni	<u>Vice Chairman</u>	
Clint Brooks	<u>Secretary</u>	
John O. Reagan	<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>	
Lori Law	<u>Director</u>	
Paul Dries	<u>Director</u>	
Robert Edwards	<u>Director</u>	
Garry VanGorder	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 13, 2023**

### **New Business –**

- 1.) Review/Approve The Cortland County Business Development Corporation Independent Audit
- 2.) Review/Approve 2022 BDC Procurement Report
- 3.) Cortland County Legislator Beau Harbin to discuss proposed revisions to County Legislative Committee structure.

### **Monthly Reports**

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

### **Adjourn**

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**Cortland County**  
Business Development Corporation

# Minutes



# Cortland County

Business Development Corporation

**Minutes of the Board of Directors Meeting**  
**February 13, 2023 – Noon**  
**40-42 Main Street, Suite A, 2<sup>nd</sup> Floor Cortland New York, 13405**

Roll Call – Chairman McMahon called the meeting to order at 12:28 PM

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>
John O. Reagan	<u>Treasurer</u>	<u>Present</u>
Amy Kremenek	<u>Director</u>	<u>Excused</u>
Donald Richards	<u>Director</u>	<u>Excused</u>
Dr. Kathleen Burke	<u>Director</u>	<u>Present</u>
Jason Hage	<u>Director</u>	<u>Absent</u>
Jerry Contento Jr.	<u>Director</u>	<u>Present</u>
Johanna Ames	<u>Director</u>	<u>Present</u>
Lori Law	<u>Director</u>	<u>Absent</u>
Paul Dries	<u>Director</u>	<u>Excused</u>
Robert Edwards	<u>Director</u>	<u>Present</u>
Garry VanGorder	Executive Director	<u>Present</u>
Karen Niday	Chief Financial Officer	<u>Present</u>
Eric Mulvihill	Economic Development Specialist	<u>Present</u>
Kevin Fitch	Chairman, Cortland County Legislature	<u>Remote</u>



John Sidd	Counsel-Hancock Estabrook LLP	<u>Present</u>
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**AGENDA**

**Approval of Minutes** - January 9<sup>th</sup>, 2023 – Chairman McMahan made a motion to adopt the minutes as presented, Mr. Contento seconded the motion. All voting in favor, none opposed.

**New Business –**

- 2022 BDC Investment Report – Mr. Reagan made a motion to receive and file the 2022 BDC investment report, Mr. Edwards seconded the motion. All voting in favor, none opposed.
- 2022 BDC Real Property Report - Mr. Reagan made a motion to receive and file the 2022 BDC Real Property Report, Mr. Edwards seconded the motion. All voting in favor, none opposed.
- BDC Board Evaluations – Mr. Mulvihill reminded the board to complete and submit the annual board evaluations.

**Monthly Finance Reports**

- Finance Report – Ms. Niday reviewed the monthly financial reports.
- Revolving Loan Fund – Ms. Niday provided the monthly report for the revolving loan fund

**Executive Session** - Chairman McMahan made a motion to enter executive session to discuss the medical, financial, credit or employment history of a particular person or corporation, or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation; Ms. Ames seconded the motion. All voting in favor, none opposed. The Board entered into executive session at 12:23 PM.

Chairman McMahan made a motion to return to regular session, Mr. Regan seconded the motion. All voting in favor, none opposed. The Board returned to regular session at 12:59 PM.



## **Director's Report**

- Cortland DRI Update
- County Planning Director

**Adjourn** – The meeting was adjourned at 1PM

DRAFT



# New Business



**Cortland County**  
Business Development Corporation

# 2022 Audit



**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, 2022, and issued our report thereon dated March 2, 2023. 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 12, 2022. 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, 2022, the Corporation adopted Accounting Standards Update (ASU) 2016-02, “Leases” (Topic 842). Other than the adoption of ASU 2016-02, no new accounting policies were adopted and the application of existing policies was not changed during 2022. 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 March 2, 2023.

### **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

March 2, 2023

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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

March 2, 2023

# **CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION**

**Cortland, New York**

## **FINANCIAL REPORT**

**For the Years Ended  
December 31, 2022 and 2021**



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

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### **Report Required Under *Government Auditing Standards***

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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, 2022 and 2021, 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, 2022 and 2021, 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 March 2, 2023 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  
March 2, 2023



# CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

## STATEMENTS OF FINANCIAL POSITION DECEMBER 31,

	2022		2021	
	Operating Fund	Revolving Loan Funds	Operating Fund	Revolving Loan Funds
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and Cash Equivalents:				
Unrestricted	\$ 480,795	\$ -	\$ 367,211	\$ -
Restricted	-	639,340	-	489,934
<b>Total Cash and Cash Equivalents</b>	<u>480,795</u>	<u>639,340</u>	<u>367,211</u>	<u>489,934</u>
Accounts Receivable	92,910	-	92,226	-
Security Deposits	5,800	-	5,800	-
Loans Receivable - Current Portion, Net of Allowance and Discount Disclosed in Note 4	-	36,210	-	59,821
Prepaid Expenses	5,052	-	5,345	-
<b>Total Current Assets</b>	<u>584,557</u>	<u>675,550</u>	<u>470,582</u>	<u>549,755</u>
Property and Equipment, Net of Accumulated Depreciation (\$21,595 and \$18,911 Respectively)	1,764	-	4,448	-
Loans Receivable - Long-Term Portion, Net of Allowance and Discount Disclosed in Note 4	-	106,739	-	200,578
<b>Total Assets</b>	<u>\$ 586,321</u>	<u>\$ 782,289</u>	<u>\$ 475,030</u>	<u>\$ 750,333</u>
<b>LIABILITIES AND NET ASSETS</b>				
<b>Current Liabilities</b>				
Accounts Payable	\$ 1,869	\$ -	\$ 1,505	\$ -
Accrued Payroll Liabilities	189	-	601	-
Security Deposits Held	2,400	-	2,400	-
Deferred Revenues	206,467	-	-	-
<b>Total Current Liabilities</b>	<u>210,925</u>	<u>-</u>	<u>4,506</u>	<u>-</u>
<b>Net Assets</b>				
Net Assets Without Donor Restrictions	4,958	-	100,086	-
Net Assets Without Donor Restrictions - Board Designated	370,438	-	370,438	-
Net Assets With Donor Restrictions	-	782,289	-	750,333
<b>Total Net Assets</b>	<u>375,396</u>	<u>782,289</u>	<u>470,524</u>	<u>750,333</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 586,321</u>	<u>\$ 782,289</u>	<u>\$ 475,030</u>	<u>\$ 1,225,363</u>

See Notes to Financial Statements

**CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION**

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

	2022		2021	
	Without Donor Restrictions	With Donor Restrictions	Without Donor Restrictions	With Donor Restrictions
<b>CHANGES IN NET ASSETS</b>				
<b>Operating Revenues</b>		<b>Total</b>		<b>Total</b>
Contracts and Support	\$ 455,735	\$ -	\$ 449,000	\$ -
Interest Income	695	32,165	542	22,935
Grant Revenue	393,533	-	-	-
Administrative Service Revenue	50,000	-	25,000	-
Rental Revenue	27,000	-	22,800	-
Other Revenue	-	-	72	-
Net Assets Released From Restrictions	209	(209)	8,765	(8,765)
<b>Total Operating Revenues</b>	<b>927,172</b>	<b>31,956</b>	<b>506,179</b>	<b>14,170</b>
<b>Operating Expenses</b>				
Program Services	967,558	-	411,785	-
Management and General	54,742	-	46,136	-
<b>Total Operating Expenses</b>	<b>1,022,300</b>	<b>-</b>	<b>457,921</b>	<b>-</b>
Changes in Net Assets	(95,128)	31,956	48,258	14,170
Net Assets, January 1,	470,524	750,333	422,266	736,163
<b>Net Assets, December 31,</b>	<b>\$ 375,396</b>	<b>\$ 782,289</b>	<b>\$ 470,524</b>	<b>\$ 750,333</b>
				<b>\$ 1,157,685</b>
				<b>\$ 1,220,857</b>

See Notes to Financial Statements

# **CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION**

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

	<b>Program Services</b>	<b>Management and General</b>	<b>Total</b>
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
<b>Total Expenses</b>	<b>\$ 967,558</b>	<b>\$ 54,742</b>	<b>\$ 1,022,300</b>

*See Notes to Financial Statements*

# **CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION**

## **STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2021**

	<b>Program Services</b>	<b>Management and General</b>	<b>Total</b>
Salaries	\$ 213,813	\$23,757	\$ 237,570
Employee Benefits	52,325	5,814	58,139
Occupancy	42,975	4,775	47,750
Payroll Taxes	17,516	1,946	19,462
Special Projects Expense	15,500	-	15,500
Equipment Rental and Maintenance	13,533	1,504	15,037
Marketing	12,294	-	12,294
Bad Debt Expense	8,447	-	8,447
Accounting and Payroll Services	7,546	838	8,384
Automobile Expense	2,317	4,303	6,620
Travel	3,840	960	4,800
Utilities Expense	4,085	454	4,539
Telephone, Fax, Internet	3,791	421	4,212
Supplies	2,984	332	3,316
Depreciation	2,615	510	3,125
Dues	2,314	-	2,314
Legal and Professional Fees	1,768	197	1,965
Insurance	1,555	173	1,728
Conferences and Meetings	1,201	-	1,201
Professional Development	585	65	650
Postage	498	55	553
Filing Fees	283	32	315
<b>Total Expenses</b>	<b>\$ 411,785</b>	<b>\$ 46,136</b>	<b>\$ 457,921</b>

*See Notes to Financial Statements*

# **CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION**

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

	<u>2022</u>	<u>2021</u>
<b>Cash Flows From Operating Activities</b>		
Cash Provided by Contracts	\$ 505,051	\$ 476,383
Cash Provided by Grants	600,000	-
Cash Provided by Interest	9,917	11,506
Other Operating Cash Receipts	27,000	22,800
Cash Paid to Suppliers and Employees	(501,986)	(424,319)
Cash Paid for Special Projects and Grants	(507,533)	(15,500)
Other Operating Cash Payments	(9,852)	(7,766)
	<u>122,597</u>	<u>63,104</u>
<b>Net Cash Provided by Operating Activities</b>		
	<u>122,597</u>	<u>63,104</u>
<b>Cash Flows From Investing Activities</b>		
Equipment Purchase	-	(2,130)
Principal Received on Loans Receivable	140,393	93,615
New Loans Originated	-	(25,000)
	<u>140,393</u>	<u>66,485</u>
<b>Net Cash Provided by Investing Activities</b>		
	<u>140,393</u>	<u>66,485</u>
<b>Cash Flows From Financing Activities</b>	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Net Change in Cash and Cash Equivalents	262,990	129,589
Cash and Cash Equivalents, January 1,	<u>857,145</u>	<u>727,556</u>
<b>Cash and Cash Equivalents, December 31,</b>	<u>\$ 1,120,135</u>	<u>\$ 857,145</u>
<b>Non-Monetary Investing and Financing Activities:</b>		
Amortization of Discount	<u>\$ 22,943</u>	<u>\$ 11,971</u>

*See Notes to Financial Statements*

# **CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION**

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022 AND 2021**

### **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 objectives 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.

#### **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, 2022 AND 2021**

### **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**

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, 2022, 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.

An allowance for uncollectable loans has been established and used based on management's evaluation of potential uncollectable loans at year end. Amounts expensed to maintain the appropriate allowance balance were \$-0- in 2022 and \$8,447 in 2021. Collection of amounts previously included in the allowance totaled \$-0- in 2022 and 2021.

#### **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.

#### **Marketing Costs**

Marketing costs are comprised of print and audio media advertising and promotions. These costs are expensed when incurred and amounted to \$29,556 and \$12,294 for the years ended December 31, 2022 and 2021, 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.

# **CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION**

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022 AND 2021**

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

#### **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, 2022 and 2021, 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 organization in accordance with the grant agreement. The Corporation has recognized the grant revenue in the same period in which the related disbursements to recipients have been recognized.

#### **Recent Accounting Pronouncements**

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, “Leases” (Topic 842). ASU 2016-02 improves transparency and comparability among companies by recognizing lease assets and lease liabilities on the balance sheet and by disclosing key information about leasing arrangements. ASU 2016-02 requires a lessee to recognize on the balance sheet a liability to make lease payments and a right of use asset representing its right to use the underlying asset for the lease term for both finance and operating leases. The guidance is effective for private companies for financial statements issued for fiscal years beginning after December 15, 2021. The Corporation has reviewed its current leasing agreements and determined those agreements to be either short-term in nature or immaterial to the financial statements. As a result, no liabilities or right of use assets have been recorded.

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

The Corporation has evaluated events and transactions for potential recognition or disclosure in the financial statements through March 2, 2023, the date which the financial statements were available to be issued.



# **CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION**

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022 AND 2021**

**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, 2022 and 2021, 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 48% and 86% in 2021 and 2020, respectively, of its support from Cortland County. Additionally, 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.

**Note 3 Property and Equipment**

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

		<b>2022</b>		
Asset	Cost	Accumulated Depreciation	Book Value	
Equipment	\$ 23,359	\$ 21,595	\$ 1,764	
<b>Total</b>	<b>\$ 23,359</b>	<b>\$ 21,595</b>	<b>\$ 1,764</b>	
		<b>2021</b>		
Asset	Cost	Accumulated Depreciation	Book Value	
Equipment	\$ 23,359	\$ 18,911	\$ 4,448	
<b>Total</b>	<b>\$ 23,359</b>	<b>\$ 18,911</b>	<b>\$ 4,448</b>	

Depreciation expense amounted to \$2,684 and \$2,314 for the years ended December 31, 2022 and 2021, respectively.

# CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022 AND 2021

### Note 4 Loans Receivable - Revolving Loan Program

	2022	2021
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 is working with the borrower to repay the remaining portion.	\$ 11,975	\$ 14,475
Loan receivable from KIK Custom, purchased April 1, 2019, original amount: \$195,447, payable in monthly installments of \$3,810 including interest at 3%, maturing October 31, 2023. This loan was paid in full during 2022.	-	80,978
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.	46,491	51,916
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.	44,009	58,299
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.	11,993	20,255
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.	11,993	20,256
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.	14,765	22,973
COVID-19 Loan receivable from Mironti Enterprises, Inc., dated September 23, 2020, original amount: \$15,000, payable in monthly installments of \$430 including interest at 2%, maturing October 1, 2024.	9,203	14,190
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.	17,520	25,000
<b>Total Loans Outstanding</b>	<b>167,949</b>	308,342
(Less) Allowance for Uncollectible Loans Receivable	(25,000)	(25,000)
(Less) Discount on Loans Receivable	-	(22,943)
<b>Net Loans Outstanding</b>	<b>142,949</b>	260,399
(Less) Current Portion	(36,210)	(59,821)
<b>Long-Term Portion</b>	<b>\$ 106,739</b>	\$ 200,578

# **CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION**

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022 AND 2021**

**Note 5 Board Designated Net Assets**

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

	<b>Balance at December 31, 2021</b>	<b>Transfers In</b>	<b>Funds Used</b>	<b>Balance at December 31, 2022</b>
Future Project Needs	\$ 340,000	\$ -	\$ -	\$ 340,000
Training	30,438	-	-	30,438
<b>Total</b>	<b>\$ 370,438</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 370,438</b>

  

	<b>Balance at December 31, 2020</b>	<b>Transfers In</b>	<b>Funds Used</b>	<b>Balance at December 31, 2021</b>
Future Project Needs	\$ 340,000	\$ -	\$ -	\$ 340,000
Training	30,438	-	-	30,438
<b>Total</b>	<b>\$ 370,438</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 370,438</b>

**Note 6 Pension Plan**

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. Pension expense incurred as of December 31, 2022 and 2021 amounted to \$22,958 and \$19,830, 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 \$20,400 annually, payable in monthly installments. During the 2021 fiscal year, additional space was rented on a month to month basis for \$650 each month. The other two spaces are used by the Corporation to sublet to other tenants for a combined additional \$22,800 annually, payable in monthly installments. The Corporation only has to pay for the additional space when it is occupied. During 2020, the Corporation did sublet the other two spaces. During 2021, the Corporation recognized rental income and additional rental expense of \$22,800 for the year ended December 31, 2021. During 2022, the Corporation recognized rental income and additional rental expense of \$27,000 for the year ended December 31, 2022.

# **CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION**

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022 AND 2021**

### **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 year to run three grant programs designed to help local businesses.

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

<b>ARPA Funds Awarded</b>	\$ 600,000
Small Business Expansion Assistance	(256,716)
Sign, Façade, and Street Frontage	(116,817)
Downtown Business Assistance	(20,000)
<b>Current Year Disbursements</b>	<u>(393,533)</u>
<b>Deferred Revenue at December 31, 2022</b>	<u><b>\$ 206,467</b></u>

### **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. In addition, the Agency has a component unit, the Cortland County Agricultural Local Development Corporation (Ag Corp), which also shares the Chief Executive Officer, Chief Finance Officer, and Board of the Corporation. At December 31, 2022 and 2021, 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 \$25,000 for the years ended December 31, 2022 and 2021, 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 \$849,268 and \$449,000 for the years ended December 31, 2022 and 2021, respectively.

# **CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION**

## **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022 AND 2021**

### **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>2022</u>	<u>2021</u>
<b>Financial Assets at Year End</b>		
Cash and Equivalents	\$ 1,120,135	\$ 857,145
Accounts Receivable	92,910	92,226
Loans Receivable - Current Portion	36,210	59,821
<b>Total Financial Assets</b>	<u>1,249,255</u>	<u>1,009,192</u>
Donor Restricted Amounts	<u>(675,550)</u>	<u>(549,755)</u>
<b>Total Amounts Unavailable Within One Year</b>	<u>(675,550)</u>	<u>(549,755)</u>
<b>Total Financial Assets Available Within One Year</b>	<u>\$ 573,705</u>	<u>\$ 459,437</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 (GAAS) 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, 2022, 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 2, 2023.

**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 2, 2023

## **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, 2022, 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 March 2, 2023, on the financial statements of the Corporation.



Cortland County Business Development Corporation

March 2, 2023

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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

March 2, 2023



# 2022 Procurement Report

Procurement Report for Cortland County Business Development Corporation

Fiscal Year Ending: 12/31/2022

Run Date: 03/08/2023

Status: CERTIFIED

Certified Date : 03/08/2023

**Procurement Information:**

Question	Response	URL (If Applicable)
1. Does the Authority have procurement guidelines?	Yes	<a href="http://www.cortlandbusiness.com">www.cortlandbusiness.com</a>
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: 12/31/2022

Run Date: 03/08/2023

Status: CERTIFIED

Certified Date : 03/08/2023

**Procurement Transactions Listing:**

<b>1. Vendor Name</b>	Fisher Associates	<b>Address Line1</b>	120 East Washington St, Suite 200
<b>Type of Procurement</b>	Consulting Services	<b>Address Line2</b>	
<b>Award Process</b>	Authority Contract - Non-Competitive Bid	<b>City</b>	SYRACUSE
<b>Award Date</b>	2/21/2022	<b>State</b>	NY
<b>End Date</b>	4/30/2022	<b>Postal Code</b>	13202
<b>Fair Market Value</b>	\$14,000.00	<b>Plus 4</b>	
<b>Amount</b>	\$14,000.00	<b>Province/Region</b>	
<b>Amount Expended For Fiscal Year</b>	\$14,000.00	<b>Country</b>	United States
<b>Explain why the Fair Market Value is Less than the Amount</b>		<b>Procurement Description</b>	City of Cortland downtown parking study.

<b>2. Vendor Name</b>	Hark Productions	<b>Address Line1</b>	34 Meyers Road
<b>Type of Procurement</b>	Other Professional Services	<b>Address Line2</b>	
<b>Award Process</b>	Authority Contract - Non-Competitive Bid	<b>City</b>	LANSING
<b>Award Date</b>	8/17/2022	<b>State</b>	NY
<b>End Date</b>	9/30/2022	<b>Postal Code</b>	14882
<b>Fair Market Value</b>	\$10,000.00	<b>Plus 4</b>	
<b>Amount</b>	\$10,000.00	<b>Province/Region</b>	
<b>Amount Expended For Fiscal Year</b>	\$10,000.00	<b>Country</b>	United States
<b>Explain why the Fair Market Value is Less than the Amount</b>		<b>Procurement Description</b>	Village of Homer DRI Promotional Video

Procurement Report for Cortland County Business Development Corporation

Fiscal Year Ending: 12/31/2022

Run Date: 03/08/2023

Status: CERTIFIED

Certified Date : 03/08/2023

<b>3. Vendor Name</b>	Insero & Co CPAs LLP	<b>Address Line1</b>	401 E State Street Suite 500
<b>Type of Procurement</b>	Other Professional Services	<b>Address Line2</b>	
<b>Award Process</b>	Authority Contract - Competitive Bid	<b>City</b>	ITHACA
<b>Award Date</b>	11/13/2017	<b>State</b>	NY
<b>End Date</b>	5/15/2022	<b>Postal Code</b>	14850
<b>Fair Market Value</b>		<b>Plus 4</b>	
<b>Amount</b>	\$33,600.00	<b>Province/Region</b>	
<b>Amount Expended For Fiscal Year</b>	\$7,000.00	<b>Country</b>	United States
<b>Explain why the Fair Market Value is Less than the Amount</b>		<b>Procurement Description</b>	Annual independent audit

Additional Comments



# Monthly Financial Reports

**Business Development Corporation  
Budget Summary  
February 28, 2023**

	<b>BUDGETED AMOUNT</b>	<b>EXPENDED YTD</b>	<b>AVAILABLE BALANCE</b>	<b>% BUDGET REMAINING</b>
<b>Personnel:</b>				
Executive Director Salary	132,480.00	20,381.52	112,098.48	84.62%
Econ. Dev. Specialist Salary	98,034.00	15,082.16	82,951.84	84.62%
Community Relations Salary	74,333.00	11,435.84	62,897.16	84.62%
Employee Benefits	47,552.00	8,318.56	39,233.44	82.51%
DB/PFL Insurance	100.00	-235.48	335.48	335.48%
FICA	24,162.00	3,636.40	20,525.60	84.95%
FUTA	126.00	126.00	0.00	0.00%
SUI	1,000.00	756.78	243.22	24.32%
Retirement	30,485.00	4,118.16	26,366.84	86.49%
Workers C Insurance	1,200.00	15.16	1,184.84	98.74%
<b>TOTAL PERSONNEL</b>	<b>409,472.00</b>	<b>63,635.10</b>	<b>345,836.90</b>	<b>84.46%</b>
<b>Insurances:</b>				
Directors Liability	1,450.00	221.70	1,228.30	84.71%
Business Property	650.00	88.40	561.60	86.40%
<b>TOTAL INSURANCES</b>	<b>2,100.00</b>	<b>310.10</b>	<b>1,789.90</b>	<b>85.23%</b>
<b>Contractual:</b>				
Audit	7,500.00	4,500.00	3,000.00	40.00%
Charities Bureau	275.00	0.00	275.00	100.00%
401K Admin/5500	600.00	0.00	600.00	100.00%
Legal	6,000.00	0.00	6,000.00	100.00%
<b>TOTAL CONTRACTUAL</b>	<b>14,375.00</b>	<b>4,500.00</b>	<b>9,875.00</b>	<b>68.70%</b>
<b>Office:</b>				
Rent	28,200.00	3,300.00	24,900.00	88.30%
Sublet Rent	31,200.00	5,200.00	26,000.00	83.33%
Internet/Web Site	3,000.00	1,319.98	1,680.02	56.00%
Telephone	3,200.00	365.74	2,834.26	88.57%
Office Expense	5,000.00	1,223.09	3,776.91	75.54%
Postage	850.00	83.32	766.68	90.20%
Office Maintenance	5,200.00	277.20	4,922.80	94.67%
Equipment Purchase	7,000.00	0.00	7,000.00	100.00%
Equipment Maintenance	2,500.00	405.00	2,095.00	83.80%
Equipment Lease	5,250.00	583.26	4,666.74	88.89%
Professional Services	1,000.00	0.00	1,000.00	100.00%
Payroll Services	720.00	120.00	600.00	83.33%
Dues	2,000.00	1,407.00	593.00	29.65%
Subscriptions/Publications	1,500.00	421.98	1,078.02	71.87%
Meetings/Seminars	3,500.00	46.77	3,453.23	98.66%
Administrative Board Meetings	800.00	31.65	768.35	96.04%
Special projects	112,000.00	0.00	112,000.00	100.00%
Gas/Parking/Tolls	2,000.00	360.00	1,640.00	82.00%
EDS Auto Allowance	5,000.00	769.24	4,230.76	84.62%
Exec Director Auto Allowance	6,000.00	923.08	5,076.92	84.62%
Utilities	8,000.00	1,972.12	6,027.88	75.35%
<b>TOTAL OFFICE</b>	<b>233,920.00</b>	<b>18,809.43</b>	<b>215,110.57</b>	<b>91.96%</b>

**Business Development Corporation  
Budget Summary  
February 28, 2023**

	BUDGETED AMOUNT	EXPENDED YTD	AVAILABLE BALANCE	% BUDGET REMAINING
<b>Marketing:</b>				
Marketing	25,000.00	1,024.16	23,975.84	<b>95.90%</b>
<b>TOTAL MARKETING</b>	<b>25,000.00</b>	<b>1,024.16</b>	<b>23,975.84</b>	<b>95.90%</b>
<b>TOTALS :</b>				
	<b>684,867.00</b>	<b>88,278.79</b>	<b>596,588.21</b>	<b>87.11%</b>
<b>Non Budget Expenses:</b>				
Depreciation				
<b>ARPA Grant Programs</b>		85,884.35		
<b>TOTAL NON BUDGET:</b>	-	-		
		<b>85,884.35</b>		
<b>Total Budget and Non Budget:</b>		<b>174,163.14</b>		



Business Development Corp  
Balance Sheet  
February 28, 2023

ASSETS

Current Assets		
Petty Cash	\$	145.00
NBT - Checking		228,681.43
NBT-Cty ARPA MM Acct		131,222.07
NBT Money market savings		124,825.18
A/R: CVB		275.60
A/R: SUNY Cortland		775.00
A/R: Downtown Ptrship		36.00
Security Deposits		5,800.00
Prepaid Expenses		4,495.00
		<hr/>
Total Current Assets		496,255.28
Property and Equipment		
Office Equipmnt/Furniture		23,359.10
Accumulated Depreciation		(21,594.94)
		<hr/>
Total Property and Equipment		1,764.16
Other Assets		
A/R-IDA Contento Property		91,834.93
		<hr/>
Total Other Assets		91,834.93
		<hr/>
Total Assets	\$	<u><u>589,854.37</u></u>

LIABILITIES AND FUND BALANCE

Current Liabilities		
Accounts Payable	\$	291.63
Accrued Fed Unemployment		126.00
Accrued NYS Unemployment		756.78
Deferred Revenue		120,582.28
		<hr/>
Total Current Liabilities		121,756.69
Long-Term Liabilities		
Sublet Security Deposit		2,400.00
		<hr/>
Total Long-Term Liabilities		2,400.00
		<hr/>
Total Liabilities		124,156.69
Fund Balance		
Unrestricted net assets		4,958.67
Board designated net assets		370,437.71
Net Income		90,301.30
		<hr/>
Total Fund Balance		465,697.68
		<hr/>
Total Liabilities & Fund Balance	\$	<u><u>589,854.37</u></u>

Business Development Corp  
Income Statement  
For the Two Months Ending February 28, 2023

	Current Month Actual	Current Month Budget	Variance	Year to Date Actual	Year to Date Budget	Variance
<b>REVENUE AND SUPPORT</b>						
County Gov't Funding	0.00	0.00	0.00	123,048.25	123,048.25	0.00
IDA Administrative Support	0.00	0.00	0.00	50,000.00	50,000.00	0.00
Sublet Rent	2,600.00	2,600.00	0.00	5,200.00	5,200.00	0.00
Interest Income	135.28	0.00	135.28	331.84	0.00	331.84
<b>Total General Revenue</b>	<b>2,735.28</b>	<b>2,600.00</b>	<b>135.28</b>	<b>178,580.09</b>	<b>178,248.25</b>	<b>331.84</b>
<b>Projects &amp; Events Income</b>						
Grant Revenue County ARP	9,923.00	0.00	9,923.00	85,884.35	0.00	85,884.35
<b>Total Projects &amp; Events</b>	<b>9,923.00</b>	<b>0.00</b>	<b>9,923.00</b>	<b>85,884.35</b>	<b>0.00</b>	<b>85,884.35</b>
<b>Special Project Grants</b>						
<b>Total Special Projects</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Revenue &amp; Support</b>	<b>12,658.28</b>	<b>2,600.00</b>	<b>10,058.28</b>	<b>264,464.44</b>	<b>178,248.25</b>	<b>86,216.19</b>
<b>EXPENDITURES</b>						
<b>General Expenses</b>						
Salary-Executive Director	10,190.76	10,190.76	0.00	20,381.52	20,381.52	0.00
Salary-Economic Dev Spec.	7,541.08	7,541.08	0.00	15,082.16	15,082.16	0.00
Salary-Community Relations	5,717.92	5,717.92	0.00	11,435.84	11,435.84	0.00
Employee Benefits	3,609.27	3,700.00	(90.73)	8,318.56	8,450.00	(131.44)
Retirement Contributions	2,059.08	2,345.00	(285.92)	4,118.16	4,690.00	(571.84)
Employers F.I.C.A	1,818.19	1,858.64	(40.45)	3,636.40	3,717.28	(80.88)
Fed Unemployment Tax	8.42	7.70	0.72	126.00	126.00	0.00
State Unemploymnt Insure	246.56	246.53	0.03	756.78	756.75	0.03
DBL/ PFL Insurance	(117.74)	8.33	(126.07)	(235.48)	16.66	(252.14)
Workers Comp Insure	(66.42)	100.00	(166.42)	15.16	200.00	(184.84)
Office Rent	1,650.00	2,350.00	(700.00)	3,300.00	4,700.00	(1,400.00)
Sublet Rent	2,600.00	2,600.00	0.00	5,200.00	5,200.00	0.00
Internet/Web Site	1,229.99	250.00	979.99	1,319.98	500.00	819.98
Telephone	215.77	266.67	(50.90)	365.74	533.34	(167.60)
Office Expense	983.44	416.67	566.77	1,223.09	833.34	389.75
Postage	43.45	70.83	(27.38)	83.32	141.66	(58.34)
Office Maintenance	257.36	433.33	(175.97)	277.20	866.66	(589.46)
Equipment Maintenance	202.50	208.33	(5.83)	405.00	416.66	(11.66)
Office Equipment Lease	291.63	333.75	(42.12)	583.26	667.50	(84.24)
Accounting	4,500.00	4,500.00	0.00	4,500.00	4,500.00	0.00
Payroll Service	60.00	60.00	0.00	120.00	120.00	0.00
Dues	0.00	0.00	0.00	1,407.00	1,407.00	0.00
Subscriptions/Publication	366.99	125.00	241.99	421.98	250.00	171.98
Marketing Expense	1,024.16	1,024.16	0.00	1,024.16	1,024.16	0.00
Directors & Officers Ins.	110.87	120.83	(9.96)	221.70	241.66	(19.96)
Property Insurance	44.20	54.17	(9.97)	88.40	108.34	(19.94)
Mtgs/Seminars/Conferences	46.77	46.77	0.00	46.77	46.77	0.00
Board Meetings	31.65	31.65	0.00	31.65	31.65	0.00
EDS Auto Allowance	384.62	384.62	0.00	769.24	769.24	0.00
Mileage/Gas/Tolls/Parking	0.00	0.00	0.00	360.00	360.00	0.00
Auto Allowance/Director	461.54	461.54	0.00	923.08	923.08	0.00
Utilities	1,193.99	666.67	527.32	1,972.12	1,333.34	638.78
<b>Total General Expenses</b>	<b>46,706.05</b>	<b>46,120.95</b>	<b>585.10</b>	<b>88,278.79</b>	<b>89,830.61</b>	<b>(1,551.82)</b>

Business Development Corp  
Income Statement  
For the Two Months Ending February 28, 2023

	Current Month Actual	Current Month Budget	Variance	Year to Date Actual	Year to Date Budget	Variance
Projects and Events						
Cty ARPA Grant Programs	9,923.00	0.00	9,923.00	85,884.35	0.00	85,884.35
Total Projects & Events	9,923.00	0.00	9,923.00	85,884.35	0.00	85,884.35
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	56,629.05	46,120.95	10,508.10	174,163.14	89,830.61	84,332.53
NET INCOME	(43,970.77)	(43,520.95)	(449.82)	90,301.30	88,417.64	1,883.66



**Cortland County**  
Business Development Corporation

# Revolving Loan Fund

**CORTLAND COUNTY BUSINESS DEVELOPMENT CORP. RLF**

**February 28, 2023**

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	2/10/2023	36	15			\$ 10,599.20
J Brown Performance Horse	****	\$25,000.00	\$ 716.06	2/14/2023	36	24			\$ 16,832.68
Community Restaurant COVID	**	\$ 25,000.00	\$ 716.06	2/23/2023	36	15			\$ 10,599.20
60 Main LLC COVID	***	\$ 25,000.00	\$ 716.06	2/23/2023	36	19			\$ 13,381.17
Mironti Enterprise COVID	****	\$15,000.00	\$ 429.64	2/10/2023	36	20			\$ 8,374.22
Community Restaurant/NAFS		\$75,000.00	\$ 1,449.96	2/23/2023	60	31			\$ 41,542.52
Mironti, Sandro & Denise		\$63,000.00	\$ 699.43	02/10/23	60	19			\$ 45,554.73
P Smith/Crown Stove		\$50,000.00	\$ 555.10	02/28/23	120			*	\$ 11,575.24
Allowance for doubtful accts									(\$25,000.00)
		<b>\$ 303,000.00</b>	<b>\$ 5,998.37</b>					\$ -	<b>\$ 133,458.96</b>

BDC RLF Assets as of  
2/28/2023  
Less outstanding loans  
Funds available

\$783,438.17  
\$ (133,458.96)  
\$ 649,979.21

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 28, 2023

ASSETS

Current Assets		
NBT-Checking	\$	123,372.24
Tompkins Trust-Money Mkt		101,126.32
NBT Money market account		425,480.65
		649,979.21
Total Current Assets		
Property and Equipment		
		0.00
Total Property and Equipment		
Receivables		
Armideo Housing LLC (COVID)		10,599.20
J. Brown Perform Horse(COVID)		16,832.68
Community Restaurant (COVID)		10,599.20
Mironti Enterprises Inc (COVID)		8,374.22
Paul Smith		11,575.24
60 MAIN LLC (COVID)		13,381.17
Community Restaurant/NAFS1571		41,542.52
Sandro & Denise Mironti		45,554.73
Allowance for Doubtful Accts		(25,000.00)
		133,458.96
Total Receivables		
		649,979.21
Total Assets		
	\$	783,438.17

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	\$	782,287.75
Net Income		1,150.42
		783,438.17
Total Fund Balance		
		783,438.17
Total Liabilities & Fund Balance		
	\$	783,438.17

BDC Revolving Loan Fund  
Income Statement  
For the Two Months Ending February 28, 2023

	Current Month	Ratio	Year to Date	Ratio
<b>Revenue</b>				
Interest on Deposits	\$ 32.64	5.61	\$ 68.77	5.98
Interest on Loans	549.10	94.39	1,081.65	94.02
	<u>581.74</u>		<u>1,150.42</u>	
Total Revenue	581.74	100.00	1,150.42	100.00
	<u>581.74</u>		<u>1,150.42</u>	
<b>TOTAL REVENUE</b>	<u>581.74</u>	100.00	<u>1,150.42</u>	100.00
<b>Expenses</b>				
	<u>0.00</u>		<u>0.00</u>	
Total Expenses	0.00	0.00	0.00	0.00
	<u>0.00</u>		<u>0.00</u>	
<b>Net Income</b>	\$ <u>581.74</u>	100.00	\$ <u>1,150.42</u>	100.00

## **APE Proposed Changes to Rules of Order:**

### ***Proposed Name Change:***

- Agriculture, Planning, Environment, and Economic Development

### ***Proposed Rules of Order changes: Rules of Order Article XII: 12.A.***

**Agriculture, Planning, Environment, and Economic Development (APEED)** – Not less than five (5) nor more than seven (7) members who shall oversee:

County Planning Department, Soil and Water Conservation District, Cornell Cooperative Extension, public transportation, Central New York Regional Planning and Development Board, Southern Tier East Regional Planning Development Board, SPCA, Industrial Development Agency and Business Development Corporation, and the agency that provides promotional and tourism service, and including but not limited to any associated agency.

**Finance and Administration** – A seven (7) member Committee shall review the tentative budget filed by the Budget Officer and shall consider and recommend appropriations required for all purposes and prepare and report the annual estimates for the tax levy.

The Committee shall oversee:

The Treasurer's Office, the Finance Office, Administration Office, Office of the Manager of Audit and Financial Projects, the Department of Real Property Tax Services, occupancy tax, Tompkins Cortland Community College (TC3), Industrial Development Agency and Business Development Corporation, and the agency that provides promotional and tourism service. The Finance and Administration Committee shall serve as the Audit Committee.

### ***Proposed Committee Mission Statement:***

Our mission is to assist Cortland County move forward with all aspects of economic development, planning, agriculture, tourism and more while protecting and preserving our valuable natural resources. This committee shall deal with all matters pertaining to

- Economic growth and industrial development of Cortland County, including all Federal and State grants pertaining to economic and industrial development and expansion and assistance for small businesses in Cortland County;
- Comprehensive planning, land use, zoning referrals, environmental management and assistance to local governments in Cortland County;
- Development and promotion of agriculture, extension services, conservation, natural resources, wildlife and rural resources;
- Development and promotion of tourism in Cortland County;
- Housing and rental assistance programs;
- Transportation and other mass transit assistance programs;
- The County Planning Board and Regional Planning Boards, and serve as liaison between the respective Boards and the Legislature;
- The following agencies and departments: County Planning Department, Soil and Water Conservation District, Cornell Cooperative Extension, public transportation, Central New York Regional Planning and Development Board, Southern Tier East Regional Planning Development Board, SPCA, Industrial Development Agency and Business Development Corporation, and the agency that provides promotional and tourism service, and including but not limited to any associated agency



## **WHERE WE STARTED:**

### ***Proposed Names:***

- Agriculture, Economic Development, Planning, and Environment
- Agriculture, Planning, and Economic Development

### **Rules of Order Article XII: 12.A.**

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### **Discussion topics:**

Names in other counties:

- Economic Development and Planning Committee (Montgomery, Oswego County)
- Planning and Economic Development (Allegany, Cayuga, Chenango, Onondaga County)
- Economic Development, Planning, Tourism and Agriculture (Tioga County)
- Planning, Development and Environmental Quality (Tompkins County)
- Community Dev. & Natural Resources (Schuyler County)
- Planning, Development, Agriculture and Tourism (Seneca County)

Oversight statement examples

Seneca County: “Responsible for Planning & Community Development, Planning Board, Industrial Development Agency, Tourism, Federal and State grants, Soil & Water Conservation District, Extension Service, Agriculture Districts, and Finger Lakes Regional Airport.”

Onondaga County: “Agricultural Districts, Office of Economic Development and Associated Boards, Division of Community Development, Information Technology, Onondaga County Industrial Development Agency, Onondaga County Civic Development Corporation, Trust for the Cultural Resources of Onondaga, County, Syracuse-Onondaga County Planning Agency, Central New York Regional Planning and Development Board, Greater Syracuse Property Development Corporation, Centerstate CEO, Cornell Cooperative Extension, Visit Syracuse.”