



Cortland County

Business Development Corporation

Board of Directors Meeting
March 14, 2022 – Noon
40-42 Main Street, Suite A, 2nd Floor Cortland New York, 13405

Per Part E of Chapter 417 of the Laws of the State of New York for 2021 which amends Article 7 of the Public Officers Law, videoconferencing will be used to conduct this meeting. Anyone wishing to access this meeting remotely may do so using the following link via the Zoom video conferencing platform.

Join Zoom Meeting:

<https://us02web.zoom.us/j/84246441792?pwd=TS9QTUx5SzRjSTFOcnUyRVRidUx0dz09>

Meeting ID: 842 4644 1792

Passcode: 882201

Dial by your location

+1 646 558 8656 US (New York)



Cortland County

Business Development Corporation

Roll Call

Michael McMahon	<u>Chairman</u>	
Stephen Compagni	<u>Vice Chairman</u>	
Clint Brooks	<u>Secretary</u>	
John O. Reagan	<u>Treasurer</u>	
Dan Mones	<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>	
Vacant	<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 14, 2022

New Business –

- 1.) Review/Approve The Cortland County Business Development Corporation Independent Audit
- 2.) Review the DRI/Crown City Rising Communications Strategy

Monthly Reports

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

Adjourn



Cortland County
Business Development Corporation

Minutes



Cortland County

Business Development Corporation

Roll Call – The Meeting was called to order at 12:32PM

Michael McMahon	<u>Chairman</u>	Present
Clint Brooks	<u>Board Member</u>	Present
Dan Mones	<u>Board Member</u>	Absent
Donald Richards	<u>Board Member</u>	Remote
Jason Hage	<u>Board Member</u>	Remote
Jerry Contento Jr.	<u>Board Member</u>	Present
Johanna Ames	<u>Board Member</u>	Present
John O. Reagan	<u>Board Member</u>	Excused
Dr. Kathleen Burke	<u>Board Member</u>	Excused
Lori Law	<u>Board Member</u>	Excused
Paul Dries	<u>Board Member</u>	Remote
Stephen Compagni	<u>Board Member</u>	Remote
Vacant	<u>Board Member</u>	
Garry VanGorder	Executive Director	Present
John Sidd	Counsel-Hancock Estabrook LLP	Remote
Karen Niday	Chief Financial Officer	Present
Eric Mulvihill	Economic Development Specialist	Present
Savannah Hempstead	Clerk, Cortland County Legislature	Present



Marie Weiss	Carpenters Union	Remote
-------------	------------------	--------

AGENDA

Approval of Minutes – December 13, 2021 – Mr. McMahon made a motion to accept the minutes as presented. Mr. Hage seconded the motion; all in favor, none opposed.

New Business –

- 1.) **Review/Approve The Cortland County IDA Acquisition & Disposition of Real and Personal Property Report** – Mr. McMahon made a motion to approve the report, Mr. Contento seconded the motion. All voting in favor, none opposed.
- 2.) **Review/Approve The Cortland County IDA Investment Report** - Mr. McMahon made a motion to approve the report, Mr. Hage seconded the motion. All voting in favor, none opposed.
- 3.) **Review/Approve The Cortland County IDA Procurement Report** – Mr. McMahon made a motion to approve the report, Mr. Contento seconded the motion. All voting in favor, none opposed.

Monthly Reports

- **Finance Report** – Ms. Niday reviewed the monthly finance reports.
 - **Revolving Loan Fund** – Ms. Niday reviewed the revolving loan fund.
 - **Director’s Report** – Mr. VanGorder provided the Directors with an update on the Cortland Downtown Revitalization Initiative. He discussed the planned communication initiative that this agency will spearhead to support businesses that may be impacted by the on-going construction process. Mr. VanGorder discussed the planned downtown parking study. The agency is partnering with the City and the SUNY Cortland Innovation Lab to analyze parking in and around downtown Cortland. The goal of the study is to evaluate all parking assets with an eye toward policy recommendations that can better utilize those parking resources to support commerce downtown. Mr. VanGorder discussed recent
-



Cortland County

Business Development Corporation

announcements from the Regional Economic Development Council; specifically additional funding for the Gutches Lumber Sports Complex. Other awards included funding to support Intertek testing's planned expansion at the former Cortland Tank building. The company is looking to add battery testing services to their portfolio to support the growing renewable energy industry.

Adjourn – The meeting was adjourned at 12:55 PM

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, 2021, and issued our report thereon dated _____, 2022. 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 January 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. No new accounting policies were adopted and the application of existing policies was not changed during 2021. We noted no transactions entered into by the Corporation during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates 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 _____, 2022.

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

_____, 2022

Page 3

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,

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
_____, 2022

DRAFT

**CORTLAND COUNTY BUSINESS
DEVELOPMENT CORPORATION**

Cortland, New York

FINANCIAL REPORT

**For the Years Ended
December 31, 2021 and 2020**

DRAFT

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

TABLE OF CONTENTS

Independent Auditors' Report	1-3
Statements of Financial Position	4
Statements of Activities	5
Statements of Functional Expenses	6-7
Statements of Cash Flows	8
Notes to Financial Statements	9-16

Report Required Under *Government Auditing Standards*

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 <i>Government Auditing Standards</i>	17-18
---	-------

DRAFT

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, 2021 and 2020, 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, 2021 and 2020, 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 U.S. GAAP; 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 _____, 2022 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,

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
_____, 2022

DRAFT

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

STATEMENTS OF FINANCIAL POSITION DECEMBER 31,

	2021			2020		
	Operating Fund	Revolving Loan Funds	Total	Operating Fund	Revolving Loan Funds	Total
ASSETS						
Current Assets						
Cash and Cash Equivalents:						
Unrestricted	\$ 367,211	\$ -	\$ 367,211	\$ 316,883	\$ -	\$ 316,883
Restricted	-	489,934	489,934	-	410,673	410,673
Total Cash and Cash Equivalents	367,211	489,934	857,145	316,883	410,673	727,556
Accounts Receivable	92,226	-	92,226	94,609	-	94,609
Security Deposits	5,800	-	5,800	5,800	-	5,800
Loans Receivable - Current Portion, Net of Allowance and Discount Disclosed in Note 4	-	59,821	59,821	-	48,522	48,522
Prepaid Expenses	5,345	-	5,345	5,150	-	5,150
Total Current Assets	470,582	549,755	1,020,337	422,442	459,195	881,637
Equipment and Improvements, Net of Accumulated Depreciation (\$18,911 and \$15,786 Respectively)	4,448	-	4,448	5,443	-	5,443
Loans Receivable - Long-Term Portion, Net of Allowance and Discount Disclosed in Note 4	-	200,578	200,578	-	276,968	276,968
Total Assets	\$ 475,030	\$ 750,333	\$ 1,225,363	\$ 427,885	\$ 736,163	\$ 1,164,048
LIABILITIES AND NET ASSETS						
Current Liabilities						
Accounts Payable	\$ 1,505	\$ -	\$ 1,505	\$ 2,737	\$ -	\$ 2,737
Accrued Payroll Liabilities	601	-	601	482	-	482
Security Deposits Held	2,400	-	2,400	2,400	-	2,400
Total Current Liabilities	4,506	-	4,506	5,619	-	5,619
Net Assets						
Net Assets Without Donor Restrictions	100,086	-	100,086	51,828	-	51,828
Net Assets Without Donor Restrictions - Board Designated	370,438	-	370,438	370,438	-	370,438
Net Assets With Donor Restrictions	-	750,333	750,333	-	736,163	736,163
Total Net Assets	470,524	750,333	1,220,857	422,266	736,163	1,158,429
Total Liabilities and Net Assets	\$ 475,030	\$ 750,333	\$ 1,225,363	\$ 427,885	\$ 736,163	\$ 1,164,048

See Notes to Financial Statements

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED DECEMBER 31,

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Changes in Net Assets						
Operating Revenues						
Contracts and Support	\$ 449,000	\$ -	\$ 449,000	\$ 442,364	\$ -	\$ 442,364
Interest Income	542	22,935	23,477	182	23,642	23,824
Application Fees	-	-	-	-	450	450
Administrative Service Revenue	25,000	-	25,000	25,000	-	25,000
Rental Revenue	22,800	-	22,800	17,200	-	17,200
Other Revenue	72	-	72	-	-	-
Net Assets Released from Restrictions	8,765	(8,765)	-	40,086	(40,086)	-
Total Operating Revenues	<u>506,179</u>	<u>14,170</u>	<u>520,349</u>	<u>524,832</u>	<u>(15,994)</u>	<u>508,838</u>
Operating Expenses						
Program Services	411,785	-	411,785	472,786	-	472,786
Management and General	46,136	-	46,136	42,518	-	42,518
Total Operating Expenses	<u>457,921</u>	<u>-</u>	<u>457,921</u>	<u>515,304</u>	<u>-</u>	<u>515,304</u>
Changes in Net Assets	48,258	14,170	62,428	9,528	(15,994)	(6,466)
Net Assets, January 1,	<u>422,266</u>	<u>736,163</u>	<u>1,158,429</u>	<u>412,738</u>	<u>752,157</u>	<u>1,164,895</u>
Net Assets, December 31,	<u>\$ 470,524</u>	<u>\$ 750,333</u>	<u>\$ 1,220,857</u>	<u>\$ 422,266</u>	<u>\$ 736,163</u>	<u>\$ 1,158,429</u>

See Notes to Financial Statements

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

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

	Program Services	Management and General	Total
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
Total Expenses	\$ 411,785	\$ 46,136	\$ 457,921

See Notes to Financial Statements

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Services	Management and General	Total
Salaries	\$ 196,492	\$ 21,832	\$ 218,324
Employee Benefits	57,904	6,434	64,338
Occupancy	33,840	3,760	37,600
Payroll Taxes	15,555	1,728	17,283
Special Projects Expense	51,237	-	51,237
Equipment Rental and Maintenance	8,931	992	9,923
Marketing	34,940	-	34,940
Bad Debt Expense	36,904	-	36,904
Accounting and Payroll Services	6,768	752	7,520
Automobile Expense	1,919	3,565	5,484
Travel	3,200	800	4,000
Utilities Expense	3,959	440	4,399
Telephone, Fax, Internet	3,493	388	3,881
Supplies	4,568	508	5,076
Depreciation	2,123	414	2,537
Dues	2,206	-	2,206
Legal and Professional Fees	4,532	504	5,036
Insurance	2,732	304	3,036
Conferences and Meetings	613	-	613
Postage	645	72	717
Filing Fees	225	25	250
Total Expenses	\$ 472,786	\$ 42,518	\$ 515,304

See Notes to Financial Statements

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31,

	2021	2020
Cash Flows From Operating Activities		
Cash Provided by Contracts	\$ 476,383	\$ 464,590
Cash Provided by Interest	11,506	11,851
Other Operating Cash Receipts	22,800	17,650
Cash Paid to Suppliers and Employees	(424,319)	(423,469)
Other Operating Cash Payments	(23,266)	(8,432)
Net Cash Provided by Operating Activities	63,104	62,190
Cash Flows From Investing Activities		
Cash Received From BDC Property Sale	-	71,000
Equipment Purchase	(2,130)	(2,439)
Principal Received on Loans Receivable	93,615	63,965
New Loans Originated	(25,000)	(190,000)
Net Cash Provided by Investing Activities	66,485	(57,474)
Cash Flows from Financing Activities	-	-
Net Change in Cash and Cash Equivalents	129,589	4,716
Cash and Cash Equivalents, January 1,	727,556	722,840
Cash and Cash Equivalents, December 31,	\$ 857,145	\$ 727,556
Non-Monetary Investing and Financing Activities:		
Forgiveness of Amounts Owed	\$ -	\$ (51,237)
Amortization of Discount	\$ (11,971)	\$ (11,974)

See Notes to Financial Statements

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

***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.

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

Note 1 Summary of Significant Accounting Policies - Continued

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.

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, 2021, the Corporation had nine 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 \$8,447 in 2021 and \$1,585 in 2020. Collection of amounts previously included in the allowance totaled \$-0- in 2021 and 2020.

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.

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

Note 1 Summary of Significant Accounting Policies - Continued

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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.

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, 2021 and 2020, the Corporation had met the performance obligations in those respective agreements and recognized the corresponding revenue in the Statement of Activities.

Evaluation of Subsequent Events

The Corporation has evaluated events and transactions for potential recognition or disclosure in the financial statements through _____, 2022, the date which the financial statements were available to be issued.

Future Accounting Pronouncements

In February 2016, Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, "Leases" (Topic 842). ASU No. 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 No. 2016-02 is effective for the year ending December 31, 2022. The Corporation is currently assessing the financial impact of this guidance on the financial statements.

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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 2018, the Corporation renewed its agreement with Cortland County to provide business development and related services to businesses within the County for the 2019, 2020, 2021, and 2022 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, 2021 and 2020, 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 86% and 87% in 2021 and 2020, respectively, of its support from Cortland County.

The Corporation also has a perpetual administrative service agreement with the Cortland County Industrial Development Agency, a related party, to provide operational support. The Agreement renews annually and the Corporation has recognized the corresponding earned revenue in the Statement of Activities.

Note 3 Property and Equipment

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

		2021		
Asset	Cost	Accumulated Depreciation	Book Value	
Equipment	\$ 23,359	\$ 18,911	\$ 4,448	
Total	\$ 23,359	\$ 18,911	\$ 4,448	
		2020		
Asset	Cost	Accumulated Depreciation	Book Value	
Equipment	\$ 21,229	\$ 15,786	\$ 5,443	
Total	\$ 21,229	\$ 15,786	\$ 5,443	

Depreciation expense amounted to \$3,125 and \$2,537 for the years ended 2021 and 2020, respectively.

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

Note 4 Loans Receivable - Revolving Loan Program

	2021	2020
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.	\$ 14,475	\$ 17,675
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.	80,978	123,943
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.	51,916	57,027
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.	58,299	71,759
Loan receivable from Tanya Dammert and Derek Perry, dated June 2, 2020, original amount: \$25,000, payable in monthly installments of \$900 including interest at 6%, maturing July 1, 2023.	-	25,000
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.	20,255	25,000
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.	20,256	25,000
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.	22,973	25,000
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.	14,190	15,000
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.	25,000	-
Total Loans Outstanding	308,342	385,404
Less Allowance for Uncollectible Loans Receivable	(25,000)	(25,000)
Less Discount on Loans Receivable	(22,943)	(34,914)
Net Loans Outstanding	260,399	325,490
Less Current Portion	(59,821)	(48,522)
Long-Term Portion	\$ 200,578	\$ 276,968

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

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 12/31/2020	Transfers In	Funds Used	Balance at 12/31/2021
Future Project Needs	\$ 340,000	\$ -	\$ -	\$ 340,000
Training	30,438	-	-	30,438
Total	\$ 370,438	\$ -	\$ -	\$ 370,438

	Balance at 12/31/2019	Transfers In	Funds Used	Balance at 12/31/2020
Future Project Needs	\$ 340,000	\$ -	\$ -	\$ 340,000
Training	30,438	-	-	30,438
Total	\$ 370,438	\$ -	\$ -	\$ 370,438

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, 2021 and 2020 amounted to \$19,830 and \$21,832, respectively.

Note 7 Lease Commitments

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 installment. The Corporation only has to pay for the additional space when it is occupied. During 2020 the Corporation did sublet the other two spaces and recognized rental income and additional rental expense of \$17,200 for the year ended December 31, 2020. During 2021, the Corporation recognized rental income and additional rental expense of \$22,800 for the year ended December 31, 2021.

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

Note 7 Lease Commitments - Continued

In July 2019, the Corporation signed a new copier lease with a monthly payment of \$292 plus usage. Copier lease expense amounted to \$3,500 and \$3,882 for the years ended December 31, 2021 and 2020, respectively.

Future minimum lease payments are as follows at December 31, 2021:

<u>Year</u>	<u>Amount</u>
2022	\$ 4,880
2023	4,880
2024	4,880

Note 8 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, 2021 and 2020, 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 \$25,000 annually for administrative services. The Agency paid the Corporation \$25,000 for each of the years ended December 31, 2021 and 2020.

The Cortland County Legislature appoints member directors of the Corporation. Cortland County provided support to the Corporation totaling \$449,000 and \$442,364 for the years ended December 31, 2021 and 2020, respectively.

CORTLAND COUNTY BUSINESS DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021 AND 2020

Note 9 Liquidity and Availability of Resources

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

	<u>2021</u>	<u>2020</u>
Financial Assets at Year End		
Cash and Equivalents	\$ 857,145	\$ 727,556
Accounts Receivable	92,226	94,609
Loans Receivable - Current Portion	59,821	48,522
Total Financial Assets	<u>1,009,192</u>	<u>870,687</u>
Donor Restricted Amounts	(549,755)	(459,195)
Total Amounts Unavailable Within One Year	<u>(549,755)</u>	<u>(459,195)</u>
Total Financial Assets Available Within One Year	<u>\$ 459,437</u>	<u>\$ 411,492</u>

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

Note 10 Economic Uncertainty

In March 2020, the COVID-19 coronavirus outbreak was declared a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had, and are expected to continue to have, an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Corporation operates. Although there is still uncertainty regarding what if any effect this will have on funding, the Corporation feels that it will be able to maintain operations in a fiscally sound manner.

**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, 2021, 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 _____, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) 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 entity'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
_____, 2022

DRAFT

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, 2021, 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 entity'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. 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.

Impact of Accounting Standard Updates (ASUs) of the Financial Accounting Standards Board (FASB)

In February 2016, FASB issued ASU No. 2016-02, "Leases." The update changes the recording and reporting requirements for operating leases, requiring assets and liabilities be recognized if the lease meets certain requirements.

ASU No. 2016-02 was to be effective for nonpublic entities for the years beginning after December 15, 2019, applied on a retrospective basis. On June 3, 2020, FASB issued ASU 2020-05, "Revenue from Contracts with Customers (Topic 606) and Leases (Topic 842): Effective Dates for Certain Entities," which delays the effective date to fiscal years beginning after December 15, 2021.

Cortland County Business Development Corporation

_____, 2022

Page 2

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,

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
_____, 2022

DRAFT



Finance Report

**Business Development Corporation
Budget Summary
February 28, 2022**

	BUDGETED AMOUNT	EXPENDED YTD	AVAILABLE BALANCE	% BUDGET REMAINING
Personnel:				
Executive Director Salary	122,101.00	18,784.76	103,316.24	84.62%
Econ. Dev. Specialist Salary	90,354.00	13,900.60	76,453.40	84.62%
Community Relations Salary	68,510.00	10,540.00	57,970.00	84.62%
Employee Benefits	37,800.00	6,864.64	30,935.36	81.84%
DB/PFL Insurance	50.00	-243.92	293.92	587.84%
FICA	22,350.00	3,361.26	18,988.74	84.96%
FUTA	126.00	126.41	-0.41	-0.33%
SUI	800.00	725.35	74.65	9.33%
Retirement	28,097.00	3,268.56	24,828.44	88.37%
Workers C Insurance	1,200.00	187.64	1,012.36	84.36%
TOTAL PERSONNEL	371,388.00	57,515.30	313,872.70	84.51%
Insurances:				
Directors Liability	1,250.00	203.30	1,046.70	83.74%
Business Property	600.00	86.72	513.28	85.55%
TOTAL INSURANCES	1,850.00	290.02	1,559.98	84.32%
Contractual:				
Audit	7,000.00	4,000.00	3,000.00	42.86%
Charities Bureau	275.00	0.00	275.00	100.00%
401K Admin/5500	600.00	600.00	0.00	0.00%
Legal	6,000.00	0.00	6,000.00	100.00%
TOTAL CONTRACTUAL	13,875.00	4,600.00	9,275.00	66.85%
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	2,000.00	1,199.98	800.02	40.00%
Telephone	3,200.00	365.80	2,834.20	88.57%
Office Expense	5,000.00	922.78	4,077.22	81.54%
Postage	1,000.00	62.73	937.27	93.73%
Office Maintenance	4,500.00	711.11	3,788.89	84.20%
Equipment Purchase	2,000.00	0.00	2,000.00	100.00%
Equipment Maintenance	2,500.00	243.00	2,257.00	90.28%
Equipment Lease	5,500.00	583.26	4,916.74	89.40%
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	1,457.00	543.00	27.15%
Subscriptions/Publications	1,500.00	283.99	1,216.01	81.07%
Meetings/Seminars	3,500.00	295.00	3,205.00	91.57%
Administrative Board Meetings	1,000.00	0.00	1,000.00	100.00%
Special projects	112,000.00	0.00	112,000.00	100.00%
Gas/Parking/Tolls	1,500.00	720.00	780.00	52.00%
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	6,000.00	1,736.70	4,263.30	71.06%
TOTAL OFFICE	216,920.00	18,893.67	198,026.33	91.29%

**Business Development Corporation
Budget Summary
February 28, 2022**

	BUDGETED AMOUNT	EXPENDED YTD	AVAILABLE BALANCE	% BUDGET REMAINING
Marketing:				
Marketing				
TOTAL MARKETING	35,000.00	1,364.05	33,635.95	96.10%
	35,000.00	1,364.05	33,635.95	96.10%
 TOTALS :				
	639,033.00	82,663.04	556,369.96	87.06%
Non Budget Expenses:				
Depreciation		0.00		
TOTAL NON BUDGET:	-	-	-	
 Total Budget and Non Budget:		82,663.04		

Business Development Corp
Balance Sheet
February 28, 2022

ASSETS

Current Assets		
Petty Cash	\$	145.00
NBT - Checking		149,472.86
NBT Money market savings		299,563.85
A/R: CVB		468.76
A/R: SUNY Cortland		2,025.97
A/R: Downtown Ptnrship		849.10
Security Deposits		5,800.00
Prepaid Expenses		4,286.03
		<hr/>
Total Current Assets		462,611.57
Property and Equipment		
Office Equipmnt/Furniture		23,359.10
Accumulated Depreciation		(18,910.75)
		<hr/>
Total Property and Equipment		4,448.35
Other Assets		
A/R-IDA Contento Property		91,834.93
		<hr/>
Total Other Assets		91,834.93
		<hr/>
Total Assets	\$	<u><u>558,894.85</u></u>

LIABILITIES AND FUND BALANCE

Current Liabilities		
Accrued Fed Unemployment	\$	126.00
Accrued NYS Unemployment		725.35
		<hr/>
Total Current Liabilities		851.35
Long-Term Liabilities		
Sublet Security Deposit		2,400.00
		<hr/>
Total Long-Term Liabilities		2,400.00
		<hr/>
Total Liabilities		3,251.35
Fund Balance		
Unrestricted net assets		100,087.16
Board designated net assets		370,437.71
Net Income		85,118.63
		<hr/>
Total Fund Balance		555,643.50
		<hr/>
Total Liabilities & Fund Balance	\$	<u><u>558,894.85</u></u>

Business Development Corp
Income Statement
For the Two Months Ending February 28, 2022

	Current Month Actual	Current Month Budget	Variance	Year to Date Actual	Year to Date Budget	Variance
REVENUE AND SUPPORT						
County Gov't Funding	0.00	0.00	0.00	113,933.25	113,933.75	(0.50)
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	22.98	0.00	22.98	48.42	0.00	48.42
Total General Revenue	1,922.98	1,900.00	22.98	167,781.67	167,733.75	47.92
Projects & Events Income						
Total Projects & Events	0.00	0.00	0.00	0.00	0.00	0.00
Special Project Grants						
Total Special Projects	0.00	0.00	0.00	0.00	0.00	0.00
Total Revenue & Support	1,922.98	1,900.00	22.98	167,781.67	167,733.75	47.92
EXPENDITURES						
General Expenses						
Salary-Executive Director	9,392.38	9,392.38	0.00	18,784.76	18,784.76	0.00
Salary-Economic Dev Spec.	6,950.30	6,950.30	0.00	13,900.60	13,900.60	0.00
Salary-Community Relations	5,270.00	5,270.00	0.00	10,540.00	10,540.00	0.00
Employee Benefits	3,366.53	3,150.00	216.53	6,864.64	6,300.00	564.64
Pension 401 K expenses	600.00	600.00	0.00	600.00	600.00	0.00
Retirement Contributions	1,634.28	1,634.27	0.01	3,268.56	3,268.54	0.02
Employers F.I.C.A	1,680.63	1,714.44	(33.81)	3,361.26	3,428.88	(67.62)
Fed Unemployment Tax	11.06	16.00	(4.94)	126.41	126.00	0.41
State Unemploymnt Insure	253.72	170.00	83.72	725.35	642.00	83.35
DBL/ PFL Insurance	(121.96)	0.00	(121.96)	(243.92)	0.00	(243.92)
Workers Comp Insure	93.82	100.00	(6.18)	187.64	200.00	(12.36)
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	1,109.99	166.67	943.32	1,199.98	333.34	866.64
Telephone	215.83	266.67	(50.84)	365.80	533.34	(167.54)
Office Expense	700.31	416.67	283.64	922.78	833.34	89.44
Postage	35.50	83.33	(47.83)	62.73	166.66	(103.93)
Office Maintenance	711.11	711.11	0.00	711.11	711.11	0.00
Equipment Maintenance	121.50	121.50	0.00	243.00	243.00	0.00
Office Equipment Lease	291.63	291.63	0.00	583.26	583.26	0.00
Accounting	4,000.00	4,000.00	0.00	4,000.00	4,000.00	0.00
Payroll Service	60.00	60.00	0.00	120.00	120.00	0.00
Dues	0.00	0.00	0.00	1,457.00	1,457.00	0.00
Subscriptions/Publication	283.99	125.00	158.99	283.99	250.00	33.99
Marketing Expense	1,364.05	1,364.05	0.00	1,364.05	1,364.05	0.00
Directors & Officers Ins.	101.63	104.17	(2.54)	203.30	208.34	(5.04)
Property Insurance	43.36	50.00	(6.64)	86.72	100.00	(13.28)
Mtgs/Seminars/Conferences	295.00	295.00	0.00	295.00	295.00	0.00
EDS Auto Allowance	384.62	416.67	(32.05)	769.24	833.34	(64.10)
Mileage/Gas/Tolls/Parking	0.00	0.00	0.00	720.00	720.00	0.00
Auto Allowance/Director	461.54	500.00	(38.46)	923.08	1,000.00	(76.92)
Utilities	1,228.06	500.00	728.06	1,736.70	1,000.00	736.70
Total General Expenses	44,788.88	42,719.86	2,069.02	82,663.04	81,042.56	1,620.48

Business Development Corp
Income Statement
For the Two Months Ending February 28, 2022

	Current Month Actual	Current Month Budget	Variance	Year to Date Actual	Year to Date Budget	Variance
Projects and Events						
Total Projects & Events	0.00	0.00	0.00	0.00	0.00	0.00
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	44,788.88	42,719.86	2,069.02	82,663.04	81,042.56	1,620.48
NET INCOME	<u>(42,865.90)</u>	<u>(40,819.86)</u>	<u>(2,046.04)</u>	<u>85,118.63</u>	<u>86,691.19</u>	<u>(1,572.56)</u>



Cortland County
Business Development Corporation

Revolving Loan Fund

CORTLAND COUNTY BUSINESS DEVELOPMENT CORP. RLF

February 28, 2022

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	2/16/2022	36	27			\$ 18,889.84
J Brown Performance Horse	****	\$25,000.00	\$ 716.06	2/8/2022	36	35			\$ 24,325.61
Community Restaurant COVID	**	\$ 25,000.00	\$ 716.06	2/2/2022	36	27			\$ 18,889.84
60 Main LLC COVID	***	\$ 25,000.00	\$ 716.06	2/2/2022	36	31			\$ 21,616.78
Mironti Enterprise COVID	****	\$15,000.00	\$ 429.64	2/2/2022	36	32			\$ 13,377.39
Community Restaurant/NAFS		\$75,000.00	\$ 1,449.96	2/2/2022	60	43			\$ 55,976.12
Voyant (KIK Corp)		\$ 195,447.72	\$ 3,815.32	02/11/22	56	20			\$ 73,734.56
Gain on KIK loan purchase		\$ (55,862.68)							\$ (20,948.43)
Mironti, Sandro & Denise		\$63,000.00	\$ 699.43	02/02/22	60	31			\$ 51,034.87
P Smith/Crown Stove		\$50,000.00	\$ 555.10	02/28/22	120			*	\$ 13,975.24
Allowance for doubtful accts									(\$25,000.00)
		\$ 442,585.04	\$ 9,813.69					\$ -	\$ 245,871.82

BDC RLF Assets as of 2/28/2022

\$754,020.41

Less outstanding loans

\$ (245,871.82)

Funds available

\$ 508,148.59

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, 2022

ASSETS

Current Assets		
NBT-Checking	\$	131,980.54
Tompkins Trust-Money Mkt		101,055.55
NBT Money market account		275,112.50
		<hr/>
Total Current Assets		508,148.59
Property and Equipment		<hr/>
Total Property and Equipment		0.00
Receivables		
Armideo Housing LLC (COVID)		18,889.84
J. Brown Perform Horse(COVID)		24,325.61
Community Restaurant (COVID)		18,889.84
Mironti Enterprises Inc (COVID)		13,377.39
Paul Smith		13,975.24
60 MAIN LLC (COVID)		21,616.78
Community Restaurant/NAFS1571		55,976.12
Voyant (KIK Corp)		73,734.56
Gain on KIK/Voyant Loan		(20,948.43)
Sandro & Denise Mironti		51,034.87
Allowance for Doubtful Accts		(25,000.00)
		<hr/>
Total Receivables		245,871.82
		<hr/>
Total Assets	\$	<u><u>754,020.41</u></u>

LIABILITIES AND FUND BALANCE

Current Liabilities		<hr/>
Total Current Liabilities		0.00
Long-Term Liabilities		<hr/>
Total Long-Term Liabilities		0.00
		<hr/>
Total Liabilities		0.00
Fund Balance		
Retained Earnings	\$	750,333.01
Net Income		3,687.40
		<hr/>
Total Fund Balance		754,020.41
		<hr/>
Total Liabilities & Fund Balance	\$	<u><u>754,020.41</u></u>

BDC Revolving Loan Fund
Income Statement
For the Two Months Ending February 28, 2022

	Current Month	Ratio	Year to Date	Ratio
Revenue				
Interest on Deposits	\$ 21.10	1.14	\$ 44.46	1.21
Interest on Loans	835.84	45.07	1,647.84	44.69
Gain-- KIK/Voyant Loan	997.55	53.79	1,995.10	54.11
	<u>1,854.49</u>		<u>3,687.40</u>	
Total Revenue	1,854.49	100.00	3,687.40	100.00
	<u>1,854.49</u>	100.00	<u>3,687.40</u>	100.00
Expenses				
	<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>	
Net Income	\$ <u>1,854.49</u>	100.00	\$ <u>3,687.40</u>	100.00