

CORTLAND COUNTY DEVELOPMENT CORPORATION

Cortland, New York

FINANCIAL REPORT

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



CORTLAND COUNTY DEVELOPMENT CORPORATION

TABLE OF CONTENTS

Independent Auditors' Report	1-3
Basic Financial Statements	
Statements of Financial Position	4
Statements of Activities	5
Statements of Functional Expenses	6-7
Statements of Cash Flows	8
Notes to Financial Statements	9-11

Report Required Under <i>Government Auditing Standards</i>	
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>	12-13



INDEPENDENT AUDITORS' REPORT

Board of Directors
Cortland County Development Corporation
Cortland, New York

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of Cortland County Development Corporation (the Corporation), a nonprofit organization, which comprise the Statements of Financial Position as of December 31, 2023 and 2022, and the related Statements of Activities, Functional Expenses, and Cash Flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Cortland County Development Corporation, as of December 31, 2023 and 2022, and 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.

Basis for Opinions

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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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 for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

INSERO & Co. CPAs, LLP

The Highest Standard | (800) 232-9547 | www.inserocpa.com

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 opinions. 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 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 are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 20, 2024, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 the effectiveness of the Corporation's 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, flowing style.

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
February 20, 2024

CORTLAND COUNTY DEVELOPMENT CORPORATION

STATEMENTS OF FINANCIAL POSITION DECEMBER 31,

	<u>2023</u>	<u>2022</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	<u>\$ 149,610</u>	<u>\$ 150,858</u>
Total Assets	<u><u>\$ 149,610</u></u>	<u><u>\$ 150,858</u></u>
LIABILITIES AND NET ASSETS		
Total Liabilities	<u>\$ -</u>	<u>\$ -</u>
Net Assets		
Without Donor Restrictions	<u>149,610</u>	<u>150,858</u>
Total Net Assets	<u><u>\$ 149,610</u></u>	<u><u>\$ 150,858</u></u>

See Notes to Financial Statements

CORTLAND COUNTY DEVELOPMENT CORPORATION

STATEMENTS OF ACTIVITIES FOR THE YEARS ENDED DECEMBER 31,

	<u>2023</u>	<u>2022</u>
Support and Revenue		
Interest and Earnings	<u>\$ 102</u>	<u>\$ 102</u>
Total Support and Revenue	<u>102</u>	<u>102</u>
Expenses		
Administrative	<u>1,350</u>	<u>1,375</u>
Total Expenses	<u>1,350</u>	<u>1,375</u>
Change in Net Assets	<u>(1,248)</u>	<u>(1,273)</u>
Net Assets, January 1,	<u>150,858</u>	<u>152,131</u>
Net Assets, December 31,	<u><u>\$ 149,610</u></u>	<u><u>\$ 150,858</u></u>

See Notes to Financial Statements

CORTLAND COUNTY DEVELOPMENT CORPORATION

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

	Program	Administrative	Total
Professional Services	<u>\$ -</u>	<u>\$ 1,350</u>	<u>\$ 1,350</u>
Total Expenses	<u><u>\$ -</u></u>	<u><u>\$ 1,350</u></u>	<u><u>\$ 1,350</u></u>

See Notes to Financial Statements

CORTLAND COUNTY DEVELOPMENT CORPORATION

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

	Program	Administrative	Total
Professional Services	<u>\$ -</u>	<u>\$ 1,375</u>	<u>\$ 1,375</u>
Total Expenses	<u><u>\$ -</u></u>	<u><u>\$ 1,375</u></u>	<u><u>\$ 1,375</u></u>

See Notes to Financial Statements

CORTLAND COUNTY DEVELOPMENT CORPORATION

STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31,

	<u>2023</u>	<u>2022</u>
Cash Flows From Operating Activities		
Cash Paid to Suppliers	<u>\$ (1,350)</u>	<u>\$ (1,375)</u>
Net Cash (Used) by Operating Activities	<u>(1,350)</u>	<u>(1,375)</u>
Cash Flows From Investing Activities		
Interest Received	<u>102</u>	<u>102</u>
Cash Flows From Financing Activities	<u>-</u>	<u>-</u>
Net Change in Cash and Cash Equivalents	(1,248)	(1,273)
Cash and Cash Equivalents, January 1,	<u>150,858</u>	<u>152,131</u>
Cash and Cash Equivalents, December 31,	<u><u>\$ 149,610</u></u>	<u><u>\$ 150,858</u></u>

See Notes to Financial Statements

CORTLAND COUNTY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

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

The financial statements of the Cortland County Development Corporation (the Corporation) have been prepared in conformity with accounting principles generally accepted in the United States (U.S. GAAP). The more significant of the Corporation's accounting policies are described below.

Organization and Purpose

The Corporation was formed for the purpose of encouraging economic growth in Cortland County during 2011 under Article 14 of the New York State Not-for-Profit Corporation Law. Because New York State has legislated industrial development agencies can no longer serve nonprofit entities, the Corporation will serve that segment of the economy in Cortland County. Although established by the Cortland County Board of Representatives, the Corporation is a separate entity and operates independently of the County.

Basis of Accounting

The Corporation's financial statements are reported using the accrual basis of accounting.

Financial Statement Presentation

The financial statements of the Corporation have been prepared on the accrual basis in conformity with U.S. GAAP and with the provisions of the Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, "Not-for-Profit Entities."

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 organization. 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 the funds be maintained in perpetuity. Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the Statements of Activities. At December 31, 2023 and 2022, the Corporation did not have any net assets with donor restrictions.

CORTLAND COUNTY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

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

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, as well as the reported amounts of support, revenue, and expense during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Corporation considers all highly liquid investments having an original maturity of three months or less to be cash equivalents.

Support and Revenue

Operating revenues of the Corporation consist of administrative fees and interest income.

Tax Status

The Corporation is recognized as exempt from federal taxation under §501(c)(3) of the Internal Revenue Code.

Functional Allocation of Expenses

The Statements of Functional Expenses present expenses by function as natural classification. Expenses directly attributable to a specific functional area of the Corporation are reported as expenses of those functional areas based on management's analysis of the expenses.

Evaluation of Subsequent Events

The Corporation has evaluated events and transactions for potential recognition or disclosure through February 20, 2024, the date on which the financial statements were available to be issued.

***Note 2* Concentration of Credit Risk**

The Corporation maintains its cash balances at one financial institution. From time to time, the Corporation may have bank balances in excess of Federal Deposit Insurance Corporation insurance limits.

CORTLAND COUNTY DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023 AND 2022

Note 3 Industrial Revenue Bond and Note Transactions

Certain industrial development revenue bonds and notes issued by the Corporation are secured by property leased to companies and retired by lease payments. The bonds and notes are not obligations of the Corporation. The Corporation does not record the assets or liabilities resulting from completed bond and note issues in its accounts, as its primary function is to arrange financing between the borrowing companies and the bond and note holders; funds arising therefrom are controlled by trustees or banks acting as fiscal agents.

For providing this service, the Corporation receives bond administration fees from the borrowing companies. Such administrative fee income is recognized immediately upon issuance of bonds and notes. The Corporation did not have any bonds or notes outstanding or related activity during the years ended December 31, 2023 and 2022.

Note 4 Related Parties

Cortland County Business Development Corporation (the BDC) is a private, nonprofit organization founded in 1992 to attract new business, develop existing business, and promote and develop job opportunities in Cortland County. The Executive Director of the BDC acts as the Chief Executive Officer of the Corporation; the Chief Finance Officer and Project Development Director of the BDC acts as the Chief Finance Officer and Project Development Director of the Corporation; and members of Board of Directors of the Corporation are also members of the BDC's Board of Directors.

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 members of the Board of Directors of the Corporation are also members of the Agency's Board of Directors.

Note 5 Liquidity and Availability of Resources

The Corporation's financial assets available within one year of the Statements of Financial Position date for general expenditure are as follows:

Financial Assets at Year End	2023	2022
Cash and Equivalents	\$ 149,610	\$ 150,858
Total Financial Assets	149,610	150,858
Total Amounts Unavailable Within One Year	-	-
Total Financial Assets Available Within One Year	\$ 149,610	\$ 150,858

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 of
Cortland County 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 Development Corporation (the Corporation), which comprise the Statements of Financial Position as of December 31, 2023 and 2022, and the related Statements of Activities, Functional Expenses, and Cash Flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated February 20, 2024.

Report on Internal Control of 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Corporation's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

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

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
February 20, 2024