



Cortland County

Industrial Development Agency

Meeting of the Members of the Cortland County Industrial Development Agency
March 13, 2023 – Noon
40-42 Main Street, Suite A, 2nd Floor Cortland New York, 13405

Roll Call

Mike McMahon	Chairman	
Stephen Compagni	Vice Chairman	
John O. Reagan	Treasurer	
Clint Brooks	Secretary	
Johanna Ames	Member	
Dr. Kathleen Burke	Member	
Donald Richards	Member	
<u>Garry VanGorder</u>	Executive Director	
<u>Karen Niday</u>	Corporate Finance Officer	
<u>Eric Mulvihill</u>	Development Specialist	
<u>John Sidd</u>	Agency Counsel	

Approval of Minutes - February 13th, 2023

New Business

- 1.) Review/Approve IDA Independent Audit
- 2.) Review/Approve 2022 IDA Procurement Report

Monthly Reports

- 1.) Finance Report
- 2.) Director's Report

Adjourn



Cortland County
Industrial Development Agency

Minutes



Cortland County

Industrial Development Agency

Minutes of the Meeting of the Cortland County Industrial Development Agency
February 13th, 2023 – Noon
40-42 Main Street, Suite A, 2nd Floor Cortland New York, 13405

Roll Call – Chairman McMahon called the meeting to order at 12:02 PM

Mike McMahon	Chairman	<u>Present</u>
Stephen Compagni	Vice Chairman	<u>Absent</u>
John O. Reagan	Treasurer	<u>Present</u>
Clint Brooks	Secretary	<u>Present</u>
Johanna Ames	Member	<u>Present</u>
Dr. Kathleen Burke	Member	<u>Present</u>
Donald Richards	Member	<u>Excused</u>
<u>Garry VanGorder</u>	Executive Director	<u>Present</u>
<u>Karen Niday</u>	Corporate Finance Officer	<u>Present</u>
<u>Eric Mulvihill</u>	Development Specialist	<u>Present</u>
<u>John Sidd</u>	Agency Counsel	<u>Present</u>

Approval of Minutes – January 9th, 2023 – Chairman McMahon made a motion to adopt the minutes as presented, Ms. Ames seconded the motion. All voting in favor, none opposed.

New Business –

1. 2022 IDA Investment Report – Mr. Reagan made a motion to receive and file the investment report, Ms. Ames seconded the motion. All voting in favor, none opposed.
2. 2022 IDA Real Property Report - Mr. Reagan made a motion to receive and file the real property report, Ms. Ames seconded the motion. All voting in favor, none opposed.
3. Application Fees for Solar Projects – Mr. VanGorder discussed increasing the application fee for solar PILOTS from \$500.00 per application to \$5,000.00 per application. He justified the increase as the agency incurs additional expenses associated with preparing the PILOT documents for solar projects as well as the additional staff time that is required to properly review solar PILOT applications.
4. IDA Board Evaluations – Mr. Mulvihill reminded the Board that the evaluations are due and are part of the required reporting to the New York State Budget Authorities office.



Cortland County

Industrial Development Agency

Monthly Reports

1.) Finance Report – Ms. Niday reviewed the monthly financial reports

Director's Report

1. NYS&W Pilot Agreement - the IDA has disbursed \$53,056 to taxing jurisdictions in and outside of Cortland County as a result of the agency's lease agreement with the New York Susquehanna & Western Railroad. In 2022 the IDA disbursed \$41,590. In PILOT payments from the railroad.
2. Apex – Mr. VanGorder updated the Board on the Apex site, new signage advertising the property for sale has been installed. The agency continues to await progress on the phase II environmental sampling and the site to determine the presence and extent of any pollutants at the site.

Adjourn – The meeting was adjourned at 12:27 PM.

DRAFT



Cortland County
Industrial Development Agency

New Business





Cortland County
Industrial Development Agency

2022 Audit



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

To the Board of Directors
Cortland County Industrial Development Agency
Cortland, New York

We have audited the financial statements of the Cortland County Industrial Development Agency (the Agency), a component unit of the County of Cortland, New York, and its discretely presented component unit for the year ended December 31, 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 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 Agency are described in Note 1 to the financial statements. During the year ended December 31, 2022, the Agency adopted Government Accounting Standards Board (GASB) Statement No. 87, "Leases." Other than the adoption of GASB Statement No. 87, 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 Agency 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. No significant sensitive estimates affecting the financial statements were noted.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were those related to investments in property. The disclosure of investment in properties is detailed 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 Agency'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 Agency's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Cortland County Industrial Development Agency

March 2, 2023

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We were engaged to report on the Schedule of Projects, which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Directors and management of Cortland County Industrial Development Agency 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
INDUSTRIAL DEVELOPMENT AGENCY**

Cortland, New York

FINANCIAL REPORT

**For the Year Ended
December 31, 2022**



CORTLAND COUNTY INDUSTRIAL DEVELOPMENT AGENCY

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Cortland County Industrial Development Agency
Cortland, New York

Report on the Audit of Financial Statements

Opinions

We have audited the accompanying financial statements of Cortland County Industrial Development Agency (the Agency) a component unit of the County of Cortland, New York, and its discretely presented component unit, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of Cortland County Industrial Development Agency, and its discretely presented component unit, as of December 31, 2022, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits 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 Agency 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 opinions.

Emphasis of a Matter

During the year ended December 31, 2022, the Agency adopted Government Accounting Standards Board (GASB) Statement No. 87, "Leases." As discussed in Note 9 to the financial statements, assets and deferred inflow of resources balances as of December 31, 2021 were restated to reflect this change in accounting principle. Our opinion is not modified with respect to this matter.

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 Agency'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.

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 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 Agency'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 Agency'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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The Schedule of Projects is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

The Schedule of Projects is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the Schedule of Projects is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 2, 2023, on our consideration of the Agency'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 Agency'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 Agency's internal control over financial reporting and compliance.

Respectfully submitted,



Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
March 2, 2023

CORTLAND COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2022

The Cortland County Industrial Development Agency (the Agency), a component unit of Cortland County, New York, was created in 1974 to encourage economic growth in Cortland County.

Mission: The Cortland County Industrial Development Agency was created to promote the prosperity of its residents through the creation of jobs (new or retained), recreational, and economic opportunities in Cortland County. The Agency will achieve these goals through the use of various tax incentives provided by the Agency, which shall be proportional to jobs, economic activity projected, or opportunities provided to the citizens (stakeholders) of Cortland County.

The following Management's Discussion and Analysis (MD&A) provides a comprehensive overview of the Agency's financial position as of December 31, 2022, and the result of its operations for the year then ended. Management has prepared the financial statements and related footnote disclosures along with this MD&A. The MD&A should be read in conjunction with the audited financial statements and related footnotes of the Agency, which directly follow the MD&A.

FINANCIAL HIGHLIGHTS

- Total expenses exceeded total revenues by \$24,970 in 2022, as compared to an excess of revenue over expenses of \$593,067 in 2021.
- Total revenue of \$67,986 in 2022 decreased from revenue of \$636,263 in 2021, primarily due to several significant solar project fees in the prior year, compared to smaller projects in the current year.
- Total expenses of \$92,956 in 2022 increased from \$43,196 in 2021. The increase is primarily a result of increased administrative support paid to the Cortland County Business Development Corporation (CCBDC) during 2022.
- Net position for the year ended December 31, 2022 amounted to \$1,495,311, reflecting a decrease of \$24,970 from net position of \$1,520,281 at December 31, 2021.
- During 2022, the Agency implemented GASB Statement No. 87, "Leases," which establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. As a result of the implementation, the Agency restated its December 31, 2021 asset and deferred inflow of resources balances by \$93,610. See Note 9 for more detailed information.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The financial statements of the Cortland County Industrial Development Agency have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

The basic financial statements consist of a Statement of Net Position; a Statement of Revenues, Expenses, and Changes in Net Position; a Statement of Cash Flows; and accompanying notes. These statements provide information on the financial position of the Agency and the financial activity and results of its operations during the year. A description of the Agency's financial statements follows.

CORTLAND COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2022

- **The Statement of Net Position** presents information on all of the Agency's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator as to whether the financial position of the Agency is improving or deteriorating.
- **The Statement of Revenues, Expenses, and Changes in Net Position** presents information showing the change in the Agency's net position during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of cash flows. Thus, revenues and expenses reported in this statement include all items that will result in cash received or disbursed in future fiscal periods.
- **The Statement of Cash Flows** provides information on the major sources and uses of cash during the year. The cash flow statement portrays net cash provided or used from operating, non-capital financing, capital financing, and investing activities.

The financial statements also include the balances and activity for the Cortland County Agricultural Local Development Corporation, a discretely presented component unit of the Agency.

FINANCIAL ANALYSIS OF THE AGENCY AS A WHOLE

Our analysis below focuses on the net position (*Figure 1*) and changes in net position (*Figure 2*) of the Agency's activities.

Figure 1

<i>Statement of Net Position</i>	<i>Agency</i>		<i>Total Dollar Change</i>
	<i>2022</i>	<i>2021</i>	
<i>Current Assets:</i>			
<i>Unrestricted Cash</i>	\$ 1,151,661	\$ 251,282	\$ 900,379
<i>Short-Term Lease Receivable</i>	12,671	12,343	328
<i>Unrestricted Investments</i>	-	1,173,067	(1,173,067)
<i>Prepaid Expenses</i>	1,043	1,043	-
<i>Noncurrent Assets:</i>			
<i>Long-Term Lease Receivable</i>	68,596	81,267	(12,671)
<i>Capital Assets, Net</i>	1,351	2,026	(675)
<i>Investments in Property</i>	604,797	301,653	303,144
<i>Total Assets</i>	1,840,119	1,822,681	17,438
<i>Current Liabilities:</i>			
<i>Accounts Payable</i>	36,656	2,955	33,701
<i>Due to CCBDC</i>	91,835	91,835	-
<i>Unearned Revenue</i>	135,050	114,000	21,050
<i>Total Liabilities</i>	263,541	208,790	54,751
<i>Deferred Inflows of Resources - Leases</i>	81,267	93,610	(12,343)
<i>Net Position:</i>			
<i>Net Investment in Capital Assets</i>	1,351	2,026	(675)
<i>Unrestricted</i>	1,493,960	1,518,255	(24,295)
<i>Total Net Position</i>	\$ 1,495,311	\$ 1,520,281	\$ (24,970)

CORTLAND COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2022

The current year reduction in current assets and increase in noncurrent assets is primarily a result of a significant investments in the Cort. Holdings, LLC property clean up in 2022.

The increase in current liabilities is due to an increase in accounts payable for project related expenses incurred at the end of 2022 and payable at year end and increases in the unearned revenue balances for project fees received in advance of the applicable project year.

Our analysis in *Figure 2* considers the operations of the Agency's activities.

Figure 2

<i>Changes in Net Position</i>	<i>Agency</i>		<i>Total Dollar Change</i>
	<i>2022</i>	<i>2021</i>	
<i>Operating Revenues:</i>			
<i>Fee Income</i>	\$ 49,327	\$ 618,552	\$ (569,225)
<i>Lease Income</i>	12,343	16,333	(3,990)
<i>Interest Income</i>	2,490	-	2,490
<i>Other Income</i>	1,500	90	1,410
<i>Non-Operating Revenues:</i>			
<i>Interest and Earnings and Other</i>	2,326	1,288	1,038
<i>Total Revenues</i>	67,986	636,263	(568,277)
<i>Operating Expenses:</i>			
<i>Professional and Administrative Expenses</i>	92,956	43,196	49,760
<i>Total Expenses</i>	92,956	43,196	49,760
<i>CHANGE IN NET POSITION</i>	\$ (24,970)	\$ 593,067	\$ (618,037)

Total revenues of the Agency decreased \$568,277. The decrease is primarily due to the receipt of several significant project fees in 2021 and smaller projects in 2022. Total expenses of the Agency increased \$49,760. The increase is due to an increase in the administrative payments to the CCBDC and increased project costs in 2022.

The Cortland County Agriculture Local Development Corporation was dissolved in 2022 and its remaining resources were transferred to the CCBDC.

2023 FACTORS BEARING ON THE AGENCY'S FUTURE

Downtown Investment

Planning and design activities are complete for the reconstruction of Main Street as part of the City's \$10 million Downtown Revitalization Initiative (DRI) grant. Construction is scheduled to begin in the spring. The Agency and its partners have established a public information campaign, *Crowncityrising*, designed to keep downtown stakeholders aware of the projects progress as it runs through the next two construction seasons.

Other significant investments outside of the DRI continue in and near the downtown district. These projects play an important role in the ongoing work to revitalize the district.

CORTLAND COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2022

APEX

The former APEX manufacturing site on the City's east end was mothballed in 2017 and razed in 2021 with the contractor leaving mountains of debris on site that could not be sold for scrap. The Agency, recognizing the environment and aesthetic issues this caused for the neighborhood, stepped in to acquire and remove the remaining debris field using licensed abatement contractors. The project also presents itself as a major redevelopment opportunity, with 9 acres of land, appropriate zoning, and proximity to the Interstate and other transportation infrastructure. The recent announcement of Micron's intention to build a \$100 billion chip-fab facility in Onondaga County only enhances the site's marketability as it is just 50 minutes down Interstate 81.

Buckbee Mears

The 200,000-square-foot facility is now partially occupied with about three-quarters of the building still available for lease. The Agency is working with the owner to market the site, which has potential to develop as a unique local and regional employment asset.

Micron

The Micron announcement has triggered a number of conversations about development opportunities both for business and housing across the County. The Agency will work with appropriate local, regional, and New York State partners to move those opportunities forward.

Solar Development

The Agency has incentivized seven solar projects of varying sizes to date, with a sole remaining project in the pipeline for a proposed 90MW facility across various locations in the towns of Homer, Cortlandville, and Solon. Developers have already secured a power contract with the State of New York and have now secured a siting permit from the state of New York. The Agency will be negotiating a Payment in Lieu of Tax agreement with the company in 2023, with construction expected to begin sometime in 2024.

Agency Headquarters

The Agency leases space at 40-42 Main St. in the City of Cortland and is in the process of acquiring the building from the current owner. The acquisition would solidify the Agency's presence in Cortland's central business district as work to revitalize the street continues and would also comprise a meaningful and cost-effective approach to managing the Agency's overhead costs.

Other Development

Two impactful building restoration projects will likely require involvement by the Agency: the renovation of two former elementary schools in the City of Cortland into new housing units and a former historic manufacturing site on the City's west side that will be transformed into market rate apartments.

CORTLAND COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2022

Voyant

The announced closure of this major manufacturing facility in the City of Cortland last year has left a considerable employment hole in the community, but the Agency and its partners are working with new building owners to facilitate acquisition by new employers in the City center sometime in the near future. The 500,000-squarefoot building on Central Avenue is the main attraction, with a smaller company site on Huntington Street, already sold to a new owner who will open cannabis-related operations there soon.

New Development

A local developer has secured planning approvals for the development of a series of 30,000-square-foot buildings in South Cortland that can accommodate separate tenants or be combined into one space for a large user. These sites will be marketed as Micron opportunities, as will several other warehousing and distribution spaces that have come available as the result of the Voyant announcement and closure.

Homer DRI

A pending announcement of a \$10 million DRI award for the Village of Homer will likely mean the involvement of the IDA, as major projects included in the project's application, will need some assistance moving forward. The projects are highly impactful for the Village and the greater Cortland County community.

CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Agency's clients, investors, and creditors with a general overview of the Agency's finances and to demonstrate the Agency's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Cortland County Industrial Development Agency, 40 Main St., Cortland, New York 13045.

CORTLAND COUNTY INDUSTRIAL DEVELOPMENT AGENCY

STATEMENT OF NET POSITION DECEMBER 31, 2022

	<u>Primary Government</u>	<u>Cortland County Agricultural Local Development Corporation</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents - Unrestricted	\$ 1,151,661	\$ -
Prepaid Expenses	1,043	-
Leases Receivable - Short-Term	12,671	-
Total Current Assets	<u>1,165,375</u>	<u>-</u>
Noncurrent Assets		
Capital Assets, Net	1,351	-
Investments in Property	604,797	-
Leases Receivable - Long-Term	68,596	-
Total Noncurrent Assets	<u>674,744</u>	<u>-</u>
Total Assets	<u>1,840,119</u>	<u>-</u>
LIABILITIES		
Accounts Payable	36,656	-
Due to CCBDC	91,835	-
Unearned Revenue	135,050	-
Total Liabilities	<u>263,541</u>	<u>-</u>
Deferred Inflows of Resources - Leases	<u>81,267</u>	<u>-</u>
NET POSITION		
Net Investment in Capital Assets	1,351	-
Unrestricted	1,493,960	-
Total Net Position	<u>\$ 1,495,311</u>	<u>\$ -</u>

See Notes to Financial Statements

CORTLAND COUNTY INDUSTRIAL DEVELOPMENT AGENCY

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION FOR THE YEAR ENDED DECEMBER 31, 2022

	Primary Government	Cortland County Agricultural Local Development Corporation
	<u> </u>	<u> </u>
Operating Revenues		
Fee Income	\$ 49,327	\$ -
Lease Income	12,343	-
Interest Income	2,490	-
Other Income	1,500	-
	<u> </u>	<u> </u>
Total Operating Revenues	<u>65,660</u>	<u>-</u>
Operating Expenses		
Administrative Support - CCBDC	50,000	-
Professional Services	24,610	-
Insurance	1,565	-
Special Projects	14,902	-
Other Expenses	1,879	430
	<u> </u>	<u> </u>
Total Operating Expenses	<u>92,956</u>	<u>430</u>
 Operating (Loss)	 <u>(27,296)</u>	 <u>(430)</u>
Nonoperating Revenues (Expenses)		
Interest and Earnings	2,326	-
	<u> </u>	<u> </u>
Total Nonoperating Revenues	<u>2,326</u>	<u>-</u>
 Change in Net Position	 (24,970)	 (430)
 Net Position, January 1, 2022	 <u>1,520,281</u>	 <u>430</u>
 Net Position, December 31, 2022	 <u>\$ 1,495,311</u>	 <u>\$ -</u>

See Notes to Financial Statements

CORTLAND COUNTY INDUSTRIAL DEVELOPMENT AGENCY

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2022

	Primary Government	Cortland County Agricultural Local Development Corporation
Cash Flows From Operating Activities		
Cash Received from Providing Services	\$ 86,710	\$ -
Cash Payments - Contractual Expenses	<u>(58,580)</u>	<u>(1,006)</u>
Net Cash Provided (Used) by Operating Activities	<u>28,130</u>	<u>(1,006)</u>
Net Cash Provided (Used) by Financing Activities	<u>-</u>	<u>-</u>
Cash Flows From Investing Activities		
Purchase and Improvements of Properties	(303,144)	-
Sale of Investments	1,173,067	-
Interest Income Received	<u>2,326</u>	<u>-</u>
Net Cash Provided (Used) by Investing Activities	<u>872,249</u>	<u>-</u>
Net Change in Cash and Cash Equivalents	900,379	(1,006)
Cash and Cash Equivalents, January 1, 2022	<u>251,282</u>	<u>1,006</u>
Cash and Cash Equivalents, December 31, 2022	<u>\$ 1,151,661</u>	<u>\$ -</u>
Reconciliation of Net Revenue Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Operating Revenue (Expense)	\$ (27,296)	\$ (430)
Adjustments to Reconcile Net Operating Revenue (Expense) to Net Cash Provided (Used) by Operating Activities		
Depreciation Expense	675	-
Increase (Decrease) in Lease Receivable	12,343	-
Increase (Decrease) in Accounts Payable	33,701	(576)
Increase (Decrease) in Deferred Revenue	21,050	-
Increase (Decrease) in Deferred Outflows of Resources - Leases	<u>(12,343)</u>	<u>-</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 28,130</u>	<u>\$ (1,006)</u>

See Notes to Financial Statements

CORTLAND COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

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

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

Organization and Purpose

The Agency was created in 1974 by the New York Legislature under the mandate of Article 18-A, "New York State Industrial Development Agency Act" of New York State municipal law for the purpose of advancing job opportunities, health, general prosperity, and economic welfare of the people of Cortland County. The Agency also works to improve current recreation opportunities, posterity, and standard of living. The Agency is exempt from federal, state, and local income taxes. Although established by the Cortland County Board of Representatives, the Agency is a separate entity and operates independently of the County. The Agency is considered a component unit of Cortland County.

Reporting Entity

The financial reporting entity consists of (a) the primary government which is the Cortland County Industrial Development Agency, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth in Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity," as amended.

The decision to include a potential component unit in the Agency's reporting entity is based on several criteria set forth in GASB Statement No. 14, "The Financial Reporting Entity," as amended. Based on the application of this criteria, the following are included as discretely presented component units:

- Cortland County Agricultural Local Development Corporation (Ag Corp) - The Ag Corp was created under Article 14 of New York not-for-profit corporation law to provide and administer agricultural easements in Cortland County. The Ag Corp's Board of Directors is the same as the Agency's Board of Directors. During the year ended December 31, 2022 the Ag Corp dissolved, see Note 8 for more information.

Basis of Accounting

The accounts of the Agency are maintained on the accrual basis of accounting.

Cash and Cash Equivalents

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

CORTLAND COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

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

Equity Classifications - Statement of Net Position

- Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings attributable to the acquisition, construction, or improvement of those assets.
- Restricted - Consists of resources with constraints placed on its use either by 1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or 2) law through constitutional provisions or enabling legislation.
- Unrestricted - Consists of all other resources that do not meet the definition of “restricted” and “net investment in capital assets.”

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.

Related Parties

Cortland County Business Development Corporation (the CCBDC) 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 CCBDC acts as the Chief Executive Officer of the Agency; the Chief Finance Officer and Project Development Director of the CCBDC acts as the Chief Finance Officer and Project Development Director of the Agency; and the Board of Directors of the Agency are all members of the CCBDC’s Board of Directors.

Cortland County Development Corporation (the CCDC) is a private, nonprofit organization founded in 2011 to attract new business, develop existing business, and promote and develop job opportunities in Cortland County. The Executive Director of the CCDC acts as the Chief Executive Officer of the Agency; the Chief Finance Officer and Project Development Director of the CCDC acts as the Chief Finance Officer and Project Development Director of the Agency; and members of the Board of Directors of the Agency are also members of the CCDC’s Board of Directors.

Capital Assets

Capital assets are recorded at cost. Depreciation is recorded using the straight-line method over the estimated economic useful life of the respective assets.

Investments in Property

Investments in property are recorded at the lower of cost or fair market value and consist of land and land improvements held for investment purposes. The land and related improvements are not depreciated.

CORTLAND COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

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

Leases - The Agency determines if an arrangement is or contains a lease at inception. The Agency records a right of use asset and lease obligations for leases in which they are the lessee, and lease receivables and deferred inflows of resources for leases in which they are the lessor. The amounts are initially based on the discounted future minimum lease payments over the term of the lease. The Agency uses the rate implicit in the lease agreement.

In some cases, the implicit rate is not easily determinable, and the Agency elects to use the rates from similar agreements to determine the present value of the payments.

The lease term is defined as the non-cancelable period of the lease plus any options to extend the lease when it is reasonably certain that it will be exercised. For leases with a term, including renewals, of 12 months or less, no intangible lease asset or liability has been recorded in accordance with the standard. The Agency's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

Revenues

The Agency first utilizes restricted resources to finance qualifying activities.

Operating Revenues

Operating revenues of the Agency and its component unit consist of administrative fees. Investment earnings are reported as non-operating revenues.

***Note 2* Deposits and Investments**

State statutes govern the Agency's investment policies. In addition, the Agency has its own written investment policy. Agency monies must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the state. The Treasurer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and obligations of New York State or its localities.

Collateral is required for demand deposits and certificates of deposit at 105% of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and school districts.

Total cash balances were \$1,150,992 at December 31, 2022, all of which was FDIC insured. Carrying value of deposits at December 31, 2022 totaled \$1,151,661.

CORTLAND COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

Note 3 Capital Assets

At December 31, 2022, the Agency's capital assets consisted of the following:

Office Equipment	\$ 5,909
Leasehold Improvements	3,377
Less: Accumulated Depreciation	<u>(7,935)</u>
Net Capital Assets	<u>\$ 1,351</u>

The Agency incurred depreciation expense of \$675 for the year ended December 31, 2022.

Note 4 Investments in Properties

At December 31, 2022, the Agency held investments in three properties with a combined value of \$604,797.

- The Agency maintains railroad property which it leases to New York, Susquehanna, and Western Railway Corporation (see Note 6). Value of the land at December 31, 2022 was \$209,818.
- During 2015, Contento Redevelopment Local Development Corporation, Ltd., a former component unit of the Agency, was dissolved and a related parcel of land transferred to the Agency at a cost of \$91,835 at December 31, 2022.
- During 2022, the Agency acquired land from Cort Holdings, LLC at a cost of \$25,000. The Agency then provided betterments to the property in the amount of \$278,144 resulting in a total investment in property of \$303,144.

Note 5 Payments in Lieu of Taxes

During the time in which property is leased to a company, the property is exempt from taxes other than special and valorem levies and special assessments. However, the Agency enters into Payment in Lieu of Taxes (PILOT) agreements wherein said company is required to make annual payments to the county, local municipalities, and school districts.

In 2022, PILOT payments of \$549,012 were received for real property tax payments compared to the \$1,369,450 which would have been received if businesses paid taxes in full. Abatements in aggregate totaled \$820,438. Exemptions for sales tax were \$77,837.

Note 6 Leases

During the year ended December 31, 2022, the Agency implemented GASB Statement No. 87, "Leases."

Lease Receivables

The Agency enters into agreements to lease space and other assets that are considered leases to outside organizations. The Agency is not party to any material short-term leases, and current leases do not require any variable payments.

CORTLAND COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

Note 6 Leases - Continued

Leases receivable as of December 31, 2022 are as follows:

<u>Description of Lease</u>	<u>Term of Lease</u>	<u>Discount Rate</u>	<u>Outstanding December 31, 2022</u>
Park Outdoor - Digital Sign #1	1/1/2019-12/31/2029	2.660%	\$ 36,982
Park Outdoor - Digital Sign #2	1/1/2019-12/31/2029	2.660%	36,982
Park Outdoor - Static Sign	1/1/2019-12/31/2029	2.660%	7,303
Total Lease Receivables			\$ 81,267

The following is a summary of the future lease receivables:

<u>Year</u>	<u>Lease Revenue</u>	<u>Lease Interest</u>	<u>Total</u>
2023	\$ 12,671	\$ 2,162	\$ 14,833
2024	13,008	1,825	14,833
2025	13,354	1,479	14,833
2026	13,710	1,123	14,833
2027	14,074	759	14,833
Thereafter	14,450	383	14,833
	\$ 81,267	\$ 7,731	\$ 88,998

The Agency recognized lease revenue of \$12,343 and interest income of \$2,490 for the year ended December 31, 2022.

Note 7 Related Party Transactions

During 2015, Contento Redevelopment LDC, Ltd (Contento), a component unit of the Agency, was dissolved and all related property asset and liabilities were transferred to the Agency. Prior to its dissolution, the CCBDC had paid and Contento had owed \$91,835 in expenses related to the property asset. At December 31, 2022, the Agency owed CCBDC \$91,835. This amount is expected to be paid to CCBDC upon sale of the property.

During 2014, the Agency entered into an administrative service agreement with the CCBDC. Under this agreement, the Agency agreed to pay CCBDC \$25,000 annually for administrative services commencing January 1, 2014. The agreement renews automatically unless terminated. During the fiscal year 2022, the agreement renewed under new terms that the Agency would pay \$50,000 annually.

During 2022, the Ag Corp, a component unit of the Agency dissolved and the remaining resources were transferred to the CCBDC.

CORTLAND COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2022

Note 8 AG Corp Dissolution

During the year end December 31, 2021, the Board of Directors of the Ag Corp passed a resolution to dissolve the Ag Corp. The Ag Corp officially dissolved August 30, 2022. The remaining assets were transferred to the CCBDC at dissolution.

Note 9 Restatement

During the year ended December 31, 2022, the Agency adopted GASB Statement No. 87, "Leases." The standard was applied retroactively to the December 31, 2021 financial statement balances. The new standard required the Agency to recognize lease receivable and deferred inflow of resources balances for lease amounts that were previously unrecorded. As a result of the adoption, the following December 31, 2021 balances have been restated:

	December 31, 2021		December 31, 2021
	Balances as	GASB Statement	December 31, 2021
	<u>Previously Reported</u>	<u>No. 87 Implementation</u>	<u>Balances as Restated</u>
Leases Receivable - Short-Term	\$ -	\$ 12,343	\$ 12,343
Leases Receivable - Long-Term	-	81,267	81,267
Deferred Inflow of Resources - Leases	-	(93,610)	(93,610)

CORTLAND COUNTY INDUSTRIAL DEVELOPMENT AGENCY

SCHEDULE OF PROJECTS DECEMBER 31, 2022

Project Name	Project #	Purpose	Sales Tax	Mortgage Tax	Payments in	Property Taxes	Property Tax	* Jobs Before/ Jobs at 12/31/22
			Exemptions	Exemptions	Lieu of Taxes	if not Exempt	Exemptions	
			\$	\$	\$	\$	\$	
Clocktower Project	1101-10-04	Property Development	N/A	N/A	-	-	-	N/A
Cortland Crown Homes	1101-07-01	Construction	N/A	N/A	23,079	62,036	38,957	N/A
Cortland Commerce Center, LLC	1101-10-01	Property Development	N/A	N/A	-	-	-	N/A
Cortland Plastics	1101-10-02	Manufacturing	N/A	N/A	50,566	50,566	-	39/59
C'ville, LLC	1101-13-02	Manufacturing	N/A	N/A	77,965	229,016	151,051	0/66
Crescent Commons	1101-17-01	Housing/Commercial	N/A	N/A	-	288,200	288,200	0/2
Creamery Hills (SEPP Inc.)	1101-20-01	Housing	-	N/A	7,635	16,635	9,000	2/2
DG NY C'ville #1	1101-21-03	Solar Construction	N/A	N/A	22,500	4,144	(18,356)	N/A
DG NY C'ville #3	1101-21-04	Solar Construction	N/A	N/A	-	-	-	N/A
Greek Peak Holdings	1101-18-03	Tourism	N/A	N/A	-	-	-	80/100
Greek Peak Holdings	1101-22-01	Tourism	77,837	N/A	-	-	-	85/85
Janis Solar	1101-21-01	Solar Construction	-	N/A	30,000	37,328	7,328	N/A
Lapeer Solar	1101-19-01	Solar Construction	N/A	N/A	45,000	276,563	231,563	N/A
83-85 Main St.	1101-19-02	Commercial	N/A	N/A	14,000	13,750	(250)	N/A
Northeast Transformer	1101-13-01	Manufacturing	N/A	N/A	19,590	55,971	36,381	37/54
Forkey Construction & Fabrication	1101-14-01	Manufacturing	N/A	N/A	57,930	71,448	13,518	83/96
Pyrotek, Inc.	1101-11-02	Manufacturing	N/A	N/A	38,117	67,836	29,719	42/70
Sky Hospitality	1101-12-02	Tourism	N/A	N/A	74,826	99,760	24,934	0/10
Yellow 3 LLC	1101-21-02	Solar Construction	N/A	N/A	16,500	1,126	(15,374)	N/A
Suit-kote Corp.	1101-12-01	Construction	N/A	N/A	71,304	95,071	23,767	210/248
			\$77,837	\$ -	\$ 549,012	\$ 1,369,450	\$ 820,438	578/792

*Jobs Before Column = The number of employees before the project to the left; total current employees retained to the right.



**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 Industrial Development Agency
Cortland, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Cortland County Industrial Development Agency (the Agency), a component unit of the County of Cortland, New York, and its discretely presented component unit, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated March 2, 2023.

Report on Internal Control of Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency'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 Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 Agency'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 Agency'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 Agency'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 Agency'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

To the Board of Directors of
Cortland County Industrial Development Agency
Cortland, New York

In planning and performing our audit of the financial statements of the Cortland County Industrial Development Agency (the Agency), a component unit of the County of Cortland, New York, and its discretely presented component unit, as of and for the year ended December 31, 2022, in accordance with auditing standards generally accepted in the United States of America (GAAS), we considered the Agency'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 Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 Agency'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.

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

Cortland County Industrial Development Agency

March 2, 2023

Page 2

This communication is intended solely for the information and use of management, the Board of Directors, and others within the Cortland County Industrial Development Agency 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 "Inero & Co. CPAs, LLP". The signature is written in a cursive, slightly slanted style.

Inero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York

March 2, 2023



Cortland County
Industrial Development Agency

Review/Approve 2022 IDA

Procurement Report

Procurement Report for Cortland Industrial Development Agency

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

Procurement Report for Cortland Industrial Development Agency

Fiscal Year Ending: 12/31/2022

Run Date: 03/08/2023

Status: CERTIFIED

Certified Date : 03/08/2023

Procurement Transactions Listing:

1. Vendor Name	Alexscoe, LLC dba Atlas Fence	Address Line1	6852 Manlius Center Road
Type of Procurement	Other	Address Line2	
Award Process	Non Contract Procurement/Purchase Order	City	EAST SYRACUSE
Award Date		State	NY
End Date		Postal Code	13057
Fair Market Value		Plus 4	
Amount		Province/Region	
Amount Expended For Fiscal Year	\$27,537.00	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Furnish and install 6' high galvanized chain link fence

2. Vendor Name	Arctic Enterprises, Inc.	Address Line1	222 Teall Ave, Suite 100A
Type of Procurement	Other Professional Services	Address Line2	
Award Process	Authority Contract - Competitive Bid	City	SYRACUSE
Award Date	7/20/2022	State	NY
End Date	12/31/2022	Postal Code	13210
Fair Market Value		Plus 4	
Amount	\$12,899.50	Province/Region	
Amount Expended For Fiscal Year	\$12,899.50	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Asbestos Project Monitoring and Air Sampling Services

Procurement Report for Cortland Industrial Development Agency

Fiscal Year Ending: 12/31/2022

Run Date: 03/08/2023

Status: CERTIFIED

Certified Date : 03/08/2023

3. Vendor Name	C&S Engineers, Inc	Address Line1	499 Col Eileen Collins Blvd
Type of Procurement	Consulting Services	Address Line2	
Award Process	Authority Contract - Competitive Bid	City	SYRACUSE
Award Date	3/9/2022	State	NY
End Date		Postal Code	13212
Fair Market Value		Plus 4	
Amount	\$9,600.00	Province/Region	
Amount Expended For Fiscal Year	\$5,800.00	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Preparation of Site-Specific Variance petitions; contractor and project monitor bidding documents and bidding phase support; support during cleanup work; review and preparation of project closeout documentation; review and comment on contractor and p

4. Vendor Name	Cortland County Business Development Corp	Address Line1	40 Main Street Suite A
Type of Procurement	Other Professional Services	Address Line2	
Award Process	Authority Contract - Non-Competitive Bid	City	CORTLAND
Award Date	1/1/2014	State	NY
End Date		Postal Code	13045
Fair Market Value	\$50,000.00	Plus 4	
Amount	\$50,000.00	Province/Region	
Amount Expended For Fiscal Year	\$50,000.00	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	General administrative services to assist in promoting economic development functions of the IDA

Procurement Report for Cortland Industrial Development Agency

Fiscal Year Ending: 12/31/2022

Run Date: 03/08/2023

Status: CERTIFIED

Certified Date : 03/08/2023

5. Vendor Name	Gorick Construction Co, Inc.	Address Line1	27 Track Drive
Type of Procurement	Other	Address Line2	
Award Process	Authority Contract - Competitive Bid	City	BINGHAMTON
Award Date	7/7/2022	State	NY
End Date	12/31/2022	Postal Code	13904
Fair Market Value		Plus 4	
Amount	\$339,650.00	Province/Region	
Amount Expended For Fiscal Year	\$222,095.11	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Phase I Apex Site Clean Up: Mobilization & Demobilization of on-site debris cleanup; transportation of non friable ADM waste; transportation and disposal regulated (friable) ADM waste.

6. Vendor Name	Hancock Estabrook LLP	Address Line1	1800 AXA Tower I, 100 Madison Street
Type of Procurement	Legal Services	Address Line2	
Award Process	Non Contract Procurement/Purchase Order	City	SYRACUSE
Award Date		State	NY
End Date		Postal Code	13202
Fair Market Value		Plus 4	
Amount		Province/Region	
Amount Expended For Fiscal Year	\$17,544.94	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Legal services

Procurement Report for Cortland Industrial Development Agency

Fiscal Year Ending: 12/31/2022

Run Date: 03/08/2023

Status: CERTIFIED

Certified Date : 03/08/2023

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

Additional Comments



Cortland County
Industrial Development Agency

Monthly Financials

Cortland County IDA
Balance Sheet
February 28, 2023

ASSETS

CURRENT ASSETS		
NBT - Checking 5112	\$	48,140.03
NBT Proj Invest Checking		835,178.85
NBT Money Mkt Savings		49,418.64
Prepaid Expenses		782.48
		933,520.00
TOTAL CURRENT ASSETS		
PROPERTY AND EQUIPMENT		
Land-Railroad Properties		209,818.00
Land-Contento Property		91,835.00
Land-Cleveland St - Apex		303,143.60
Leasehold Improvements		3,376.80
Accum.Depreciation-L.H.I.		(2,026.08)
Office Equipment		5,909.00
Accum.Depreciation-Equip		(5,909.00)
		606,147.32
NET PROPERTY & EQUIPMENT		
RECEIVABLES		
Lease A/R - Park Outdoor		68,595.69
		68,595.69
TOTAL RECEIVABLES		
TOTAL ASSETS		\$ <u><u>1,608,263.01</u></u>

LIABILITIES/FUND BALANCE

CURRENT LIABILITIES		
Accounts Payable	\$	5,252.00
		5,252.00
TOTAL CURRENT LIABILITIES		
LONG TERM LIABILITIES		
Due to BDC-Contento Property		91,835.00
Deferred Inflows-Leases		68,595.69
		160,430.69
TOTAL LONG TERM LIABILITIES		
TOTAL LIABILITIES		165,682.69
FUND BALANCE		
Unrestricted Earnings		1,495,310.17
Net Income		(52,729.85)
		1,442,580.32
TOTAL FUND BALANCE		
TOTAL LIAB & FUND BALANCE		\$ <u><u>1,608,263.01</u></u>

Cortland County IDA
Income Statement
For the Two Months Ending February 28, 2023

	Current Month	Year to Date
REVENUE		
Interest on Deposits	\$ 817.95	\$ 1,809.70
Lease Interest Revenue	0.00	2,161.69
Land Lease	1,500.00	14,171.31
Cort Crown Homes PILOT	23,902.40	23,902.40
Creamery Hills PILOT	0.00	10,341.33
83-85 Main LLC PILOT	14,000.00	14,000.00
Lapeer Cortland Solar PILOT	0.00	45,000.00
DG NY 1 C Ville LLC	0.00	22,950.00
Janis Solar LLC	0.00	30,600.00
Yellow 3 LLC	0.00	16,830.00
DG NY C'Ville #3	0.00	22,500.00
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Total Revenue	40,220.35	204,266.43
	<hr/>	<hr/>
TOTAL REVENUE	40,220.35	204,266.43
	<hr/>	<hr/>
EXPENSES		
Apex/Cleveland St Property	15,009.68	15,009.68
Accounting	4,500.00	4,500.00
Bank Charges	20.00	20.00
Legal	884.00	884.00
Property Tax-Sewer/Water	0.00	198.03
D & O Insurance	130.42	260.84
Cort Crown Homes PILOT	23,902.40	23,902.40
Creamery Hills PILOT	0.00	10,341.33
83-85 Main LLC PILOT	14,000.00	14,000.00
Lapeer Cortland Solar PILOT	0.00	45,000.00
DG NY 1 C Ville	0.00	22,950.00
Janis Solar LLC	0.00	30,600.00
Yellow 3 LLC	0.00	16,830.00
DG NY C'Ville #3	0.00	22,500.00
BDC Admin Support	0.00	50,000.00
	<hr/>	<hr/>
TOTAL EXPENSES	58,446.50	256,996.28
	<hr/>	<hr/>
NET INCOME	\$ (18,226.15)	\$ (52,729.85)
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Cortland County
Industrial Development Agency

Director's Report



40 Main St., Cortland NY 13045 * www.cortlandcountyIDA.com * 607/756-5005

March 13, 2023

Director's Report

Here are some updates on programs, projects and initiatives as we roll into March:

- We are also working closely with the owners of the Central Avenue Voyant facility to attract a new user. Several top leads have developed, and we are all confident that in the end the facility will be back to productive use as an employment center. There are no buildings like it in the region, so it's received a lot of interest. Inquiries, at this point, focus on the facility's capacity re: limits on wastewater effluent, power supply, water supply, zoning, ceiling heights, labor supply, and much more. We are enthusiastic about a deal being struck soon.
- APEX environmental testing continues to be delayed as we await paperwork sign-off from the EPA. Our engineers continue to pressure the agency on this so we can get started on this important next phase of site redevelopment.
- County legislator Beau Harbin has requested some time at the board meeting to brief you all in his viewpoint re: the proposal to retool of a county committee to add some economic development "oversight" to its mission. As you know, the county has also redefined the county planning director's position (currently vacant) to provide more salary and to add some economic development responsibilities, as well.
- If anyone asks, the Main Street reconstruction project start date has been pushed back to March 20 (weather);
- Waiting to hear from Homer about next steps but their DRI, but the BDC will be heavily involved with the strategy sessions and I expect to be named co-chair of the local organizing committee;
- A handful of Cortland DRI projects remain to be completed, but we are working with the state Department of State, Empire State Development Corporation, and the project developers themselves either to get the work done or to recommit allocated resources to other projects;
- We are continuing our work with Thoma Development and state ESD to secure final DRI funding for the Cortland Downtown Partnership, which has agreed to convey our offices



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at 40 Main Street to the IDA once that funding is received. The CDP, which still exists mainly to manage the building, intends to dissolve once that transfer is completed.

- We are nearing completion of funds distribution for the ARPA small business grants. More information on that to come soon.
- We continue to partner with the city of Cortland on initiatives important to downtown redevelopment, including a new parking structure for the district and helping to design a restaurant voucher program to support businesses during the DRI. This work is important because it is our belief that a strong central business district is critical the health of the entire community.
- You will be hearing a report on our recent audit results. Kudos, as always, to Karen for doing such a great job to facilitate those audits.

Garry L. VanGorder
President and CEO
Cortland County Business Development Corporation
Cortland County Industrial Development Agency