



Cortland County

Industrial Development Agency

**Meeting of the Members of the Cortland County Industrial Development Agency
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=TS9QTUx5SzRjSTFOcnUyRV
RidUx0dz09](https://us02web.zoom.us/j/84246441792?pwd=TS9QTUx5SzRjSTFOcnUyRV RidUx0dz09)**

**Meeting ID: 842 4644 1792
Passcode: 882201**

**Dial by your location
+1 646 558 8656 US (New York)**



Cortland County

Industrial Development Agency

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	
Garry VanGorder	Executive Director	
Karen Niday	Corporate Finance Officer	
Eric Mulvihill	Development Specialist	
John Sidd	Agency Counsel	

Approval of Minutes - February 14th, 2022

New Business

- 1.) Review/Approve IDA Independent Audit

Monthly Reports

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

Adjourn



Cortland County
Industrial Development Agency

Minutes



Cortland County

Industrial Development Agency

Minutes of the Cortland County Industrial Development Agency Meeting of February 14, 2022

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 was offered to conduct this meeting as well as in-person attendance.

Roll Call – Meeting Called to Order at 12:01

<u>Mike McMahon</u>	Chairman	Present
<u>Stephen Compagni</u>	Vice Chairman	Remote
<u>John O. Reagan</u>	Treasurer	Excused
<u>Clint Brooks</u>	Secretary	Present
<u>Johanna Ames</u>	Member	Present
<u>Dr. Kathleen Burke</u>	Member	Excused
<u>Donald Richards</u>	Member	Remote
<u>Garry VanGorder</u>	Executive Director	Present
<u>Karen Niday</u>	Corporation Finance Officer	Present
<u>Eric Mulvihill</u>	EDS/Community Relations	Present
<u>John Sidd</u>	Corporation Counsel	Remote
<u>Savannah Hempstead</u>	Clerk, Cortland County Legislature	Present
<u>Sue Chase</u>	CFO Greek Peak	Remote
<u>Kathleen Carroll</u>	Finance Officer Greek Peak	Remote
<u>Jason Hage</u>	Director, Cortland County BDC	Remote
<u>Paul Dries</u>	Director, Cortland County BDC	Remote



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<u>Marie Weiss</u>	Council Representative for the North Atlantic States Regional Council of Carpenters	Remote
<u>Gerald Contento Jr.</u>	Director, Cortland County BDC	Remote

Approval of Minutes

December 13th, 2021 – Mr. McMahon made a motion to approve the minutes of December 13, 2021. Ms. Ames Seconded the motion; all voting in favor, none opposed.

New Business

- 1.) Review/Authorize Amendment to Greek Peak Sales Tax Exemption – (see attached resolution)
- 2.) Rescind the Final Inducement for Certain Commercial Projects for Locust Solar, LLC and Locust Solar II, LLC – (see attached resolution)
- 3.) Authorizing the Execution of Certain Security Documents on Behalf of C’ville, LLC (Byrne Dairy) – (see attached resolution)
- 4.) Review/Approve The Cortland County IDA Acquisition & Disposition of Real and Personal Property Report – Mr. McMahon made a motion to receive and file the report as presented. Ms. Ames seconded the motion; all voting in favor, none opposed.
- 5.) Review/Approve The Cortland County IDA Investment Report - Mr. McMahon made a motion to receive and file the report as presented. Mr. Brooks seconded the motion; all voting in favor, none opposed.
- 6.) Review/Approve The Cortland County IDA Procurement Report - Mr. McMahon made a motion to receive and file the report as



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presented. Mr. Richards seconded the motion; all voting in favor, none opposed.

Monthly Reports

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

2.) Director’s Report – Mr. VanGorder discussed the sale of the NYS&W rail depot in the Village of Marathon to an unknown third party. He said with the sale the property will now return to taxable status.

Mr. VanGorder reported that he has had preliminary conversations with Cortland County regarding the future uses of land located in the Town of Cortlandville.

Mr. VanGorder reported that there have been no new applications for solar developments. He speculated that the agency may see renewed interest in solar development once the Town of Cortlandville solar moratorium is lifted. He did indicate he is in contact with solar developer EDF.

Mr. VanGorder discussed the status of the former Apex Tool site on Cleveland Street in the City of Cortland. He continues to work with the current property owner to convey the site to the agency.

Adjourn – 12:32-PM

A meeting of the Cortland County Industrial Development Agency (the "Agency") was convened in public session at the offices of the Agency located at 40 Main Street, Suite A, in the City of Cortland, Cortland County, New York on February 14, 2022 at 12:00 o'clock p.m., local time and also in accordance with the Act to amend chapter 417 of the laws of 2021 relating to authorizing political subdivisions to permit any public body to hold meetings remotely and without in-person access during the COVID-19 state disaster emergency, in relation to public bodies holding meetings remotely and to the effectiveness thereof.

The meeting was called to order by the Chairman and, upon roll being called, the following members of the Agency were:

PRESENT:

Michael McMahon	Chairman
Stephen Compagni	Vice Chairman
Clint Brooks	Secretary
Johanna Ames	Member
Donald Richards	Member

EXCUSED:

John O. Reagan	Treasurer
Kathleen Burke	Member

FOLLOWING PERSONS WERE ALSO PRESENT:

Garry VanGorder	Executive Director
Karen Niday	Chief Financial Officer
Eric J. Mulvihill	Community Relations Specialist
John P. Sidd, Esq.	Agency Counsel
Savannah Hempstead	Clerk, Cortland County Legislature
Jason Hage	Director, Cortland County BDC
Paul Dries	Director, Cortland County BDC
Gerald Contento Jr.	Director, Cortland County BDC
Marie Weiss	Council of Carpenters

The following resolution was offered by Mr. McMahon, seconded by Mr. Compagni, to wit:

Resolution No. 2022-02-14-01

RESOLUTION DETERMINING THAT AN ACTION TO UNDERTAKE A COMMERCIAL PROJECT TO UPGRADE SKIING EQUIPMENT AND INFRASTRUCTURE FOR **GREEK PEAK HOLDINGS, LLC** WILL NOT HAVE A SIGNIFICANT EFFECT ON THE ENVIRONMENT.

WHEREAS, Cortland County Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 77 of the 1974 Laws of New York, as amended, constituting Section 902 of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of commercial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, construct, reconstruct and install one or more "projects" (as defined in the Act) or to cause said projects to be acquired, constructed, reconstructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, Greek Peak Holdings, LLC (the "Company") has presented an application (the "Application") to the Agency, a copy of which was presented at this meeting and copies of which are on file at the office of the Agency, requesting that the Agency consider undertaking a project (the "Project") consisting of the following: (A) (1) the extension of its interest in approximately 1,550 acres of real property of which approximately 2 acres will be subject to the Project (the "Land") located at 2000 NYS Route 392 in the Town of Virgil, Cortland County, New York, and (2) the acquisition and installation therein and thereon of certain machinery and equipment consisting of replacement of "double chair" ski lift Chair #3 with a "triple chair" to increase capacity from 900 skiers per hour to 1,800 skiers per hour, upgraded snowmaking guns and grooming equipment (collectively the "Equipment"); all of the foregoing to improve the existing recreational facility and tourism destination open to the public and operated by the Company and occupied by the Company (the Land and the Equipment being collectively referred to as the "Project Facility"); (B) the granting of certain additional "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales taxes (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company agreed upon by the Agency; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended, known as the State Environmental Quality Review Act ("SEQRA") together with the regulations promulgated

{H4658388.1}

thereunder (the "SEQRA Regulations"), the Agency must determine whether the Project is subject to SEQRA, and if so, determine whether the Project may have a significant adverse effect on the environment (the "Determination of Significance") and if so, to require the preparation of an environmental impact statement; and

WHEREAS, the Company has prepared and submitted a Short Environmental Assessment Form (the "Short EAF") to the Agency, a copy of which EAF Part 1 was reviewed by the Agency at this meeting and a copy of which is on file at the office of the Agency; and

WHEREAS, in accordance with its obligations under SEQRA, the Agency has examined the Short EAF Part 1, determined that the Project is subject to SEQRA, and characterized the action as "Unlisted"; and

WHEREAS, as an "unlisted action", "coordinated review" with other "involved agencies" is not required by the SEQRA Regulations, and the Agency will not conduct a coordinated SEQRA review of the Project; and

WHEREAS, the Agency has completed Part 2 of the Short EAF to assist it in making its Determination of Significance;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF CORTLAND COUNTY INDUSTRIAL DEVELOPMENT AGENCY, AS FOLLOWS:

Section 1. Based upon its review, analysis, and consideration of: the Application; the Short EAF Part 1; the completed Short EAF Part 2; the criteria for determining Significance contained in Part 617.7 (c) of the SEQRA Regulations; and its knowledge of the Project Facility and surrounding areas; the Agency makes the following findings and decision with respect to the Project:

A. The Project consists of: (A) (1) the extension of its interest in approximately 1,550 acres of real property of which approximately 2 acres will be subject to the Project (the "Land") located at 2000 NYS Route 392 in the Town of Virgil, Cortland County, New York, and (2) the acquisition and installation therein and thereon of certain machinery and equipment consisting of replacement of "double chair" ski lift Chair #3 with a "triple chair" to increase capacity from 900 skiers per hour to 1,800 skiers per hour, upgraded snowmaking guns and grooming equipment (collectively the "Equipment"); all of the foregoing to improve the existing recreational facility and tourism destination open to the public and operated by the Company and occupied by the Company (the Land and the Equipment being collectively referred to as the "Project Facility"); (B) the granting of certain additional "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales taxes (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company agreed upon by the Agency.

B. No potential significant adverse impacts to the environment are evident from a review and analysis of the EAF Parts 1 and 2 or the criteria for determining significance in the SEQRA Regulations, and none are known to the Agency.

C. The Project essentially involves the acquisition, installation, and replacement of existing equipment and infrastructure, with similar but more modern equipment and infrastructure, within a previously developed and operating ski resort. Therefore, the Agency finds that there will be no appreciable change to the operations within the Project area.

Section 2. As a result of the foregoing investigation of the potential environmental impacts of the Project and considering both the magnitude and importance of each environmental impact as indicated in the EAF Part 2, the Agency makes the following findings and determinations with respect to the Project:

A. The Project constitutes an "Unlisted Action" for purposes of SEQRA and, therefore, coordinated review with notification of other involved agencies will not be undertaken and, therefore, the Agency will independently review the environmental impacts associated with the Project.

B. The Action will not result in any appreciable physical change to the Project Facility, will not cause or create any impairment of or impacts to land, waters, vegetation, habitat, or fauna. Additionally, while the upgraded facilities are intended to attract additional skiers and to lengthen the ski season, the Agency finds that the proposed changes will not create any material increase in traffic, density, noise or lighting, beyond existing levels, or increased energy usage. The Agency finds that the roads and other infrastructure in the Project area are adequate to support the changes resulting from the Project.

C. Because of the foregoing, the Agency has determined that the Project will not result in any significant adverse environmental impacts, does not require the preparation of an Environmental Impact Statement, and therefore, issues a "Negative Declaration" for purposes of SEQRA.

Section 3. The Executive Director of the Agency is hereby directed to: complete the box at the bottom of the EAF Part 3, checking the box indicating that the Project will not create a significant adverse impact; append this Resolution issuing a Negative Declaration to the Short Environmental Assessment Form Parts 1, 2 and 3 confirming the Agency has determined that the Project will not result in any significant adverse environmental impacts, and to cause copies of said negative declaration to be (A) filed in the main office of the Agency, and (B) distributed to the Company.

Section 4. This Resolution shall take effect immediately.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

Michael McMahon	VOTING	Aye
Stephen Compagni	VOTING	Aye
Clint Brooks	VOTING	Aye
John O. Reagan	VOTING	Excused
Johanna Ames	VOTING	Aye
Kathleen Burke	VOTING	Excused
Donald Richards	VOTING	Aye

The foregoing Resolution was thereupon declared and duly adopted.

STATE OF NEW YORK)
COUNTY OF CORTLAND) ss.:

I, the undersigned Secretary of Cortland County Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY, that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on February 14, 2022, with the original thereof on file in my office, and that the same is a true and correct copy of such proceedings of the Agency and of such Resolution set forth therein and of the whole of said original so far as the same related to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respect duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public and due notice of the time and place of said meeting was given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present through said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 14th day of February, 2022.



Clint Brooks, Secretary

A meeting of the Cortland County Industrial Development Agency (the "Agency") was convened in public session at the offices of the Agency located at 40 Main Street, Suite A, in the City of Cortland, Cortland County, New York on February 14, 2022 at 12:00 o'clock p.m., local time and also in accordance with the Act to amend chapter 417 of the laws of 2021 relating to authorizing political subdivisions to permit any public body to hold meetings remotely and without in-person access during the COVID-19 state disaster emergency, in relation to public bodies holding meetings remotely and to the effectiveness thereof.

The meeting was called to order by the Chairman and, upon roll being called, the following members of the Agency were:

PRESENT:

Michael McMahon	Chairman
Stephen Compagni	Vice Chairman
Clint Brooks	Secretary
Johanna Ames	Member
Donald Richards	Member

EXCUSED:

John O. Reagan	Treasurer
Kathleen Burke	Member

FOLLOWING PERSONS WERE ALSO PRESENT:

Garry VanGorder	Executive Director
Karen Niday	Chief Financial Officer
Eric J. Mulvihill	Community Relations Specialist
John P. Sidd, Esq.	Agency Counsel
Savannah Hempstead	Clerk, Cortland County Legislature
Jason Hage	Director, Cortland County BDC
Paul Dries	Director, Cortland County BDC
Gerald Contento Jr.	Director, Cortland County BDC
Marie Weiss	Council of Carpenters

The following resolution was offered by Mr. McMahon, seconded by Mr. Brooks, to wit:

Resolution No. 2022-02-14-02

**RESOLUTION TAKING OFFICIAL ACTION TOWARD
THE ACQUISITION, CONSTRUCTION, INSTALLATION**

**AND LEASING OF A CERTAIN COMMERCIAL PROJECT
FOR GREEK PEAK HOLDINGS, LLC.**

WHEREAS, Cortland County Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 77 of the 1974 Laws of New York, as amended, constituting Section 902 of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of commercial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, construct, reconstruct and install one or more "projects" (as defined in the Act) or to cause said projects to be acquired, constructed, reconstructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, Greek Peak Holdings, LLC (the "Company") has presented an application (the "Application") to the Agency, a copy of which was presented at this meeting and copies of which are on file at the office of the Agency, requesting that the Agency consider undertaking a project (the "Project") consisting of the following: (A) (1) the extension of its interest in approximately 1,550 acres of real property of which approximately 2 acres will be subject to the Project (the "Land") located at 2000 NYS Route 392 in the Town of Virgil, Cortland County, New York, and (2) the acquisition and installation therein and thereon of certain machinery and equipment consisting of replacement of "double chair" ski lift Chair #3 with a "triple chair" to increase capacity from 900 skiers per hour to 1,800 skiers per hour, upgraded snowmaking guns and grooming equipment (collectively the "Equipment"); all of the foregoing to improve the existing recreational facility and tourism destination open to the public and operated by the Company and occupied by the Company (the Land and the Equipment being collectively referred to as the "Project Facility"); (B) the granting of certain additional "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales taxes (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company agreed upon by the Agency; and

WHEREAS, the Agency has given due consideration to the Application and to representations by the Company that (A) the granting by the Agency of the Financial Assistance with respect to the Project will be an inducement to the Company to undertake the Project in Cortland County, New York, and (B) the completion of the Project Facility

will not result in the removal of an industrial or manufacturing plant of the Company or any proposed occupant of the Project Facility from one area of the State of New York to another area of the State of New York or in the abandonment of a plant or facility of the Company or any proposed occupant of the Project Facility located in the State of New York and (C) the Project constitutes a "recreation facility" as defined under Section 854(9) of the Act and a "tourism destination" as defined under Section 862 2(a) of the Act; and

WHEREAS, the Agency desires to encourage the Company to preserve and advance the job opportunities, health, general prosperity and economic welfare of the people of Cortland County, New York by undertaking the Project in Cortland County, New York; and

WHEREAS, pursuant to Article 8 of the Environmental Conservation Law, Chapter 43-B of the Consolidated Laws of New York, as amended (the "SEQR Act"), and the regulations (the "Regulations") adopted pursuant thereto by the Department of Environmental Conservation of the State of New York (collectively with the SEQR Act, "SEQRA"), the members of the Agency adopted a resolution on February 14, 2022 (the "SEQR Resolution") whereby the Agency has determined that the Project will not have a significant effect on the environment and, therefore, that an environmental impact statement is not required to be prepared with respect to the Project; and

WHEREAS, the Agency previously granted similar financial assistance to the Company in 2013, 2015 and 2018;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF CORTLAND COUNTY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. The Agency has reviewed the Application and based upon the representations made by the Company to the Agency in the Application and at this meeting and, based thereon, the Agency hereby makes the following findings and determinations with respect to the Project:

(A) The Project constitutes a "project" within the meaning of the Act; and

(B) The completion of the Project Facility will not result in the removal of an industrial or manufacturing plant of the Company or any proposed occupant of the Project Facility from one area of the State of New York to another area of the State of New York or in the abandonment of a plant or facility of the Company or any proposed occupant of the Project Facility located in the State of New York; and

(C) Although the Project Facility constitutes a project where facilities or property that are primarily used in making retail sales of goods or services to customers who personally visit such facilities constitute more than one-third of the total cost of the Project, the Project constitutes a "tourism destination" as defined under Section 862 2(a) of the Act; and

(D) The granting of the Financial Assistance by the Agency with respect to the Project, through the granting of the various tax exemptions described in Section 2(D) of this Resolution, will promote the job opportunities, health, general prosperity and economic welfare of the inhabitants of Cortland County, New York and the State of New York and improve their standard of living, and thereby serve the public purposes of the Act; and

(E) Under the Act, the Agency is authorized to undertake the Project in order to promote the job opportunities, health, general prosperity and economic welfare of the inhabitants of Cortland County, New York and the State of New York and improve their standard of living.

Section 2. The Agency hereby determines that the Agency has fully complied with the requirements of the Act and the requirements of SEQRA that relate to the Project.

Section 3. The Agency shall (A) extend its current interest in the Project Facility from the Company pursuant to a lease agreement, lease amendment or other documentation to be negotiated between the Agency and the Company (the "Acquisition Agreement"); (B) acquire and install the Equipment on the Land; (C) lease (with the obligation to purchase) or sell the Project Facility to the Company pursuant to a lease agreement or an installment sale agreement (hereinafter the "Project Agreement") between the Agency and the Company whereby the Company will be obligated, among other things, (1) to make payments to the Agency in amounts and at times so that such payments will be adequate to enable the Agency to timely pay all amounts due on the Acquisition Agreement and (2) to pay all costs incurred by the Agency with respect to the Project and/or the Project Facility, including all costs of operation and maintenance, all taxes and other governmental charges, any required payments in lieu of taxes and the reasonable fees and expenses incurred by the Agency with respect to or in connection with the Project and/or the Project Facility, and (D) provide the Financial Assistance with respect to the Project, including (1) exemption from sales taxes relating to the acquisition, construction and installation of the Project Facility, and (2) exemption from deed transfer taxes and real estate transfer gains taxes on real estate transfers to and from the Agency with respect to the Project.

Section 4. The officers, agents and employees of the Agency are hereby authorized, empowered and directed to proceed with the undertakings provided for herein on the part of the Agency and are further authorized to do all such acts and things and to execute all such documents as may be necessary or convenient to carry out and comply with the terms and provisions of this Resolution.

Section 5. John P. Sidd, Esq., of the law firm of Hancock Estabrook LLP of Syracuse, New York is hereby appointed Special Counsel to the Agency with respect to all matters in connection with the Project. Special Counsel for the Agency is hereby authorized, at the expense of the Company, to work with the Company, counsel to the

Company and others to prepare for submission to the Agency, all documents necessary to effect the transactions contemplated by this Resolution.

Section 6. Pursuant to Section 875(3) of the Act, the Agency shall recover, recapture, receive, or otherwise obtain from the Company that portion of the Financial Assistance which constitutes state sales and use tax exemptions taken or purported to be taken by the Company to which the Company is not entitled or which are in excess of the amount authorized by the Agency or which are for property or services not authorized by the Agency as part of the Project or were taken by the Company when the Company failed to comply with a material term or condition to use property or services in the manner required by the Agency. The Company shall cooperate with the Agency in its efforts to recover, recapture, receive, or otherwise obtain such state sales and use tax exemptions and shall promptly pay over any such amounts to the Agency. The failure to pay over such amounts to the Agency shall be grounds for the New York State Commissioner of Taxation and Finance to assess and determine state sales and use taxes due from the Company under Article 28 of the Tax Law of the State of New York, together with any relevant penalties and interest due on such amounts.

Section 7. The Chairman, Vice Chairman and Executive Director of the Agency are each hereby authorized and directed to distribute copies of this Resolution to the Company and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

Section 8. This Resolution shall take effect immediately.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

Michael McMahon	VOTING	Aye
Stephen Compagni	VOTING	Aye
Clint Brooks	VOTING	Aye
John O. Reagan	VOTING	Excused
Johanna Ames	VOTING	Abstain
Kathleen Burke	VOTING	Excused
Donald Richards	VOTING	Aye

The foregoing Resolution was thereupon declared duly adopted.

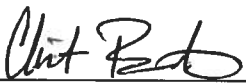
STATE OF NEW YORK)
COUNTY OF CORTLAND) ss.:

I, the undersigned Secretary of Cortland County Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY, that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on February 14, 2022 with the original thereof on file in my office, and that the same is a true and correct copy of such proceedings of the Agency and of such Resolution set forth therein and of the whole of said original so far as the same related to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respect duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public and due notice of the time and place of said meeting was given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present through said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 14th day of February, 2022.



Clint Brooks, Secretary

A meeting of the Cortland County Industrial Development Agency (the "Agency") was convened in public session at the offices of the Agency located at 40 Main Street, Suite A, in the City of Cortland, Cortland County, New York on February 14, 2022 at 12:00 o'clock p.m., local time and also in accordance with the Act to amend chapter 417 of the laws of 2021 relating to authorizing political subdivisions to permit any public body to hold meetings remotely and without in-person access during the COVID-19 state disaster emergency, in relation to public bodies holding meetings remotely and to the effectiveness thereof.

The meeting was called to order by the Chairman and, upon roll being called, the following members of the Agency were:

PRESENT:

Michael McMahon	Chairman
Stephen Compagni	Vice Chairman
Clint Brooks	Secretary
Johanna Ames	Member
Donald Richards	Member

EXCUSED:

John O. Reagan	Treasurer
Kathleen Burke	Member

FOLLOWING PERSONS WERE ALSO PRESENT:

Garry VanGorder	Executive Director
Karen Niday	Chief Financial Officer
Eric J. Mulvihill	Community Relations Specialist
John P. Sidd, Esq.	Agency Counsel
Savannah Hempstead	Clerk, Cortland County Legislature
Jason Hage	Director, Cortland County BDC
Paul Dries	Director, Cortland County BDC
Gerald Contento Jr.	Director, Cortland County BDC
Marie Weiss	Council of Carpenters

The following resolution was offered by Mr. McMahon, seconded by Ms. Ames, to wit:

Resolution No. 2022-02-14-03

RESOLUTION RESCINDING THE FINAL INDUCEMENT
FOR CERTAIN COMMERCIAL PROJECTS FOR **LOCUST
SOLAR, LLC** and **LOCUST SOLAR II, LLC**

WHEREAS, Cortland County Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 77 of the 1974 Laws of New York, as amended, constituting Section 902 of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of commercial facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, construct, reconstruct and install one or more "projects" (as defined in the Act) or to cause said projects to be acquired, constructed, reconstructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, pursuant to a Resolution ("Final Inducement Resolution I") adopted by the Agency on September 14, 2020 Finalizing The Preliminary Inducement Resolution for a Certain Commercial Project for **LOCUST SOLAR, LLC** (the "Company" or, together with Locust Solar II, LLC, the "Companies"), the Agency agreed to undertake a project (the "Locust Solar Project") consisting of the following: (A) (1) the acquisition of an interest in an approximately 27 acre parcel of land (the "Land") located at 22 Locust Avenue in the City of Cortland, Cortland County, New York (2) the installation of a solar photovoltaic facility on the Land with an approximate 5 megawatt capacity (the "Facility") and (3) the acquisition and installation therein and thereon of certain fixtures and equipment (the "Equipment"), all of the foregoing to constitute a solar photovoltaic facility to be operated by the Company (the Land, the Facility and the Equipment being collectively referred to as the "Project Facility"); (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales taxes, real estate transfer taxes, mortgage recording taxes and real property taxes (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, pursuant to Resolution ("Final Inducement Resolution II") adopted by the Agency on September 14, 2020 Finalizing The Preliminary Inducement Resolution for a Certain Commercial Project for **LOCUST SOLAR II, LLC** (the "Company" or, together with Locust Solar, LLC, the "Companies") the Agency agreed to undertake a project (the

"Locust Solar II Project") consisting of the following: (A) (1) the acquisition of an interest in an approximately 24.5 acre parcel of land (the "Land") located at 4307 Locust Avenue in the Town of Cortlandville, Cortland County, New York (2) the installation of a solar photovoltaic facility on the Land with an approximate 5 megawatt capacity (the "Facility") and (3) the acquisition and installation therein and thereon of certain fixtures and equipment (the "Equipment"), all of the foregoing to constitute a solar photovoltaic facility to be operated by the Company (the Land, the Facility and the Equipment being collectively referred to as the "Project Facility"); (B) the granting of certain "financial assistance" (within the meaning of Section 854(14) of the Act) with respect to the foregoing, including potential exemptions from certain sales taxes, real estate transfer taxes, mortgage recording taxes and real property taxes (collectively, the "Financial Assistance"); and (C) the lease (with an obligation to purchase) or sale of the Project Facility to the Company or such other person as may be designated by the Company and agreed upon by the Agency; and

WHEREAS, the Locust Solar Project and the Locust Solar II Project are hereinafter referred to as the "Projects;" and

WHEREAS, 17 months have passed since the Agency adopted Final Inducement Resolution I and Final Inducement Resolution II and the Companies have failed to complete a closing of the straight-lease transactions with the Agency as approved thereby; and

WHEREAS, both Companies have indicated to the Agency that neither Company intends to complete a straight-lease transaction with the Agency for the Projects;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF CORTLAND COUNTY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:

Section 1. The Agency hereby rescinds Final Inducement Resolution I and Final Inducement Resolution II.

Section 2. The Agency hereby further determines not to proceed with the Projects and not to grant the Financial Assistance.

Section 3. Pursuant to Section 875(3) of the Act, the Agency shall recover, recapture, receive, or otherwise obtain from the Company that portion of the Financial Assistance which constitutes state sales and use tax exemptions taken or purported to be taken by the Company to which the Company is not entitled. The Company shall cooperate with the Agency in its efforts to recover, recapture, receive, or otherwise obtain such state sales and use tax exemptions and shall promptly pay over any such amounts to the Agency. The failure to pay over such amounts to the Agency shall be grounds for the New York State Commissioner of Taxation and Finance to assess and determine state sales and use taxes due from the Company under Article 28 of the Tax Law of the State of New York, together with any relevant penalties and interest due on such amounts.

Section 4. The Chairman, Vice Chairman and Executive Director of the Agency are hereby authorized and directed to distribute copies of this Resolution to the Company and to do such further things or perform such acts as may be necessary or convenient to implement the provisions of this Resolution.

Section 5. This Resolution shall take effect immediately.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

Michael McMahon	VOTING	Aye
Stephen Compagni	VOTING	Aye
Clint Brooks	VOTING	Aye
John O. Reagan	VOTING	Excused
Johanna Ames	VOTING	Aye
Kathleen Burke	VOTING	Excused
Donald Richards	VOTING	Aye

The foregoing Resolution was thereupon declared duly adopted.

STATE OF NEW YORK)
COUNTY OF CORTLAND) ss.:

I, the undersigned Secretary of Cortland County Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY, that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on February 14, 2022 with the original thereof on file in my office, and that the same is a true and correct copy of such proceedings of the Agency and of such Resolution set forth therein and of the whole of said original so far as the same related to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respect duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public and due notice of the time and place of said meeting was given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present through said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 14th day of February, 2022.



Clinton Brooks, Secretary

A meeting of the Cortland County Industrial Development Agency (the "Agency") was convened in public session at the offices of the Agency located at 40 Main Street, Suite A, in the City of Cortland, Cortland County, New York on February 14, 2022 at 12:00 o'clock p.m., local time and also in accordance with the Act to amend chapter 417 of the laws of 2021 relating to authorizing political subdivisions to permit any public body to hold meetings remotely and without in-person access during the COVID-19 state disaster emergency, in relation to public bodies holding meetings remotely and to the effectiveness thereof.

The meeting was called to order by the Chairman and, upon roll being called, the following members of the Agency were:

PRESENT:

Michael McMahon	Chairman
Stephen Compagni	Vice Chairman
Clint Brooks	Secretary
Johanna Ames	Member
Donald Richards	Member

EXCUSED:

John O. Reagan	Treasurer
Kathleen Burke	Member

FOLLOWING PERSONS WERE ALSO PRESENT:

Garry VanGorder	Executive Director
Karen Niday	Chief Financial Officer
Eric J. Mulvihill	Community Relations Specialist
John P. Sidd, Esq.	Agency Counsel
Savannah Hempstead	Clerk, Cortland County Legislature
Jason Hage	Director, Cortland County BDC
Paul Dries	Director, Cortland County BDC
Gerald Contento Jr.	Director, Cortland County BDC
Marie Weiss	Council of Carpenters

The following resolution was offered by Mr. McMahon, seconded by Mr. Brooks, to wit:

Resolution No. 2022-02-14-04

RESOLUTION AUTHORIZING THE EXECUTION OF CERTAIN SECURITY DOCUMENTS ON BEHALF OF C'VILLE, LLC (THE "COMPANY").

WHEREAS, Cortland County Industrial Development Agency (the "Agency") is authorized and empowered by the provisions of Chapter 1030 of the 1969 Laws of New York, constituting Title 1 of Article 18-A of the General Municipal Law, Chapter 24 of the Consolidated Laws of New York, as amended (the "Enabling Act") and Chapter 77 of the 1974 Laws of New York, as amended, constituting Section 902 of said General Municipal Law (said Chapter and the Enabling Act being hereinafter collectively referred to as the "Act") to promote, develop, encourage and assist in the acquiring, constructing, reconstructing, improving, maintaining, equipping and furnishing of manufacturing facilities, among others, for the purpose of promoting, attracting and developing economically sound commerce and industry to advance the job opportunities, health, general prosperity and economic welfare of the people of the State of New York, to improve their prosperity and standard of living, and to prevent unemployment and economic deterioration; and

WHEREAS, to accomplish its stated purposes, the Agency is authorized and empowered under the Act to acquire, construct, reconstruct and install one or more "projects" (as defined in the Act) or to cause said projects to be acquired, constructed, reconstructed and installed, and to convey said projects or to lease said projects with the obligation to purchase; and

WHEREAS, the Agency provided certain Financial Assistance to the Company through a straight-lease transaction with the Company which closed on September 23, 2013 in relation to a certain Project (all as defined in the September 2013 Agency Documents); and

WHEREAS, the Company is refinancing its credit facility with M&T Bank; and

WHEREAS, the Company is not requesting additional Financial Assistance from the Agency; and

WHEREAS, M&T Bank, as the Company's lender, has requested specific authorization for the participation of the Agency in certain documents dated in or about March of 2022 including, but not limited to, a (i) Mortgage Consolidation, Modification and Extension Agreement, (ii) General Assignment of Rents, and (iii) Gap Mortgage (collectively the "Security Documents");

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF CORTLAND COUNTY INDUSTRIAL DEVELOPMENT AGENCY, AS FOLLOWS:

Section 1. The Agency hereby agrees to mortgage and assign all of its right, title and interest in the Project Facility to M&T Bank, with the exception of the Unassigned Rights as defined in the Lease Agreement, under the condition that no further Financial Assistance from the Agency is provided.

Section 2. The Chairman, Vice Chairman or Executive Director of the Agency are each hereby authorized, on behalf of the Agency, to execute and deliver the Security Documents and, where appropriate, the Secretary (or Assistant Secretary) of the Agency is hereby authorized to affix the seal of the Agency thereto and to attest the same, all in form and substance agreeable to counsel to the Agency, with such changes, variations,

omissions and insertions thereto as the Chairman, Vice Chairman or Executive Director shall approve, the execution thereof by the Chairman, Vice Chairman or Executive Director to constitute conclusive evidence of such approval.

Section 3. The officers, employees and agents of the Agency are hereby authorized and directed for and in the name and on behalf of the Agency to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing Resolution and to cause compliance by the Agency with all of the terms, covenants and provisions of the Security Documents binding upon the Agency.

Section 4. This Resolution shall take effect immediately.

The question of the adoption of the foregoing Resolution was duly put to a vote on roll call, which resulted as follows:

Michael McMahon	VOTING	Aye
Stephen Compagni	VOTING	Aye
Clint Brooks	VOTING	Aye
John O. Reagan	VOTING	Excused
Johanna Ames	VOTING	Aye
Kathleen Burke	VOTING	Excused
Donald Richards	VOTING	Aye

The foregoing Resolution was thereupon declared and duly adopted.


STATE OF NEW YORK)
COUNTY OF CORTLAND) ss.:

I, the undersigned Secretary of Cortland County Industrial Development Agency (the "Agency"), DO HEREBY CERTIFY, that I have compared the foregoing extract of the minutes of the meeting of the members of the Agency, including the Resolution contained therein, held on February 14, 2022 with the original thereof on file in my office, and that the same is a true and correct copy of such proceedings of the Agency and of such Resolution set forth therein and of the whole of said original so far as the same related to the subject matters therein referred to.

I FURTHER CERTIFY that (A) all members of the Agency had due notice of said meeting; (B) said meeting was in all respect duly held; (C) pursuant to Article 7 of the Public Officers Law (the "Open Meetings Law"), said meeting was open to the general public and due notice of the time and place of said meeting was given in accordance with such Open Meetings Law; and (D) there was a quorum of the members of the Agency present through said meeting.

I FURTHER CERTIFY that, as of the date hereof, the attached Resolution is in full force and effect and has not been amended, repealed or rescinded.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the seal of the Agency this 14th day of February, 2022.



Clint Brooks, Secretary



Cortland County
Industrial Development Agency

New Business

**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, 2021. 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 Agency 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 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 _____, 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 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.

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 (U.S. GAAP), 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,

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
_____, 2022

DRAFT

**CORTLAND COUNTY
INDUSTRIAL DEVELOPMENT AGENCY**

Cortland, New York

FINANCIAL REPORT

**For the Year Ended
December 31, 2021**

DRAFT

CORTLAND COUNTY INDUSTRIAL DEVELOPMENT AGENCY

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INDEPENDENT AUDITORS' REPORT

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

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 discreetly presented component unit as of and for the year ended December 31, 2021, 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, as of December 31, 2021, 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 (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 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 opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP, 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

U.S. GAAP require that the Management’s Discussion and Analysis on pages 4-4c 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 _____, 2022, 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
_____, 2022

CORTLAND COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2021

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, 2021, 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 revenue exceeded total expenses by \$593,067 in 2021, as compared to an excess of revenue over expenses of \$38,452 in 2020.
- Total revenue of \$636,263 in 2021 increased from revenue of \$97,342 in 2020, primarily due to several new solar projects taken on by the Agency.
- Total expenses of \$43,196 in 2021 decreased from \$58,890 in 2020, resulting in a reduction in overall costs by the Agency in the current year.
- Net position for the year ended December 31, 2021 amounted to \$1,520,281, reflecting an increase of \$593,067 from net position of \$927,214 at December 31, 2020.

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. Also included in these statements is the component unit of the Agency. The Agency includes one separate legal entity in its report: the Cortland County Agricultural Local Development Corporation. This component unit is reported discretely. Although legally separate, this component unit is important because the Agency is financially accountable for it and shares the same Board of Directors. The component unit does not prepare financial statements. However, financial information for the Cortland County Agricultural Local Development Corporation can be obtained from the Agency's administrative office at 40 Main St., Cortland, New York 13045. A description of the Agency's financial statements follows.

CORTLAND COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2021

- **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.

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>Condensed Statement of Net Position</i>	<i>Agency</i>		<i>Total Dollar Change</i>
	<i>2021</i>	<i>2020</i>	
<i>Current Assets</i>			
<i>Cash - Unrestricted</i>	\$ 251,282	\$ 103,924	\$ 147,358
<i>Investments - Unrestricted</i>	1,173,067	610,690	562,377
<i>Prepaid Expenses</i>	1,043	1,077	(34)
<i>Noncurrent Assets</i>			
<i>Capital Assets, Net</i>	2,026	3,644	(1,618)
<i>Investments in Property</i>	301,653	301,653	-
<i>Total Assets</i>	1,729,071	1,020,988	708,083
<i>Current Liabilities</i>			
<i>Accounts Payable</i>	2,955	1,939	1,016
<i>Due to BDC</i>	91,835	91,835	-
<i>Deferred Revenue</i>	114,000	-	114,000
<i>Total Liabilities</i>	208,790	93,774	115,016
<i>Net Investment in Capital Assets</i>	2,026	3,644	(1,618)
<i>Unrestricted</i>	1,518,255	923,570	594,685
<i>Total Net Position</i>	\$ 1,520,281	\$ 927,214	\$ 593,067

CORTLAND COUNTY INDUSTRIAL DEVELOPMENT AGENCY

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2021

Current assets were up significantly this year as a result of fees from new solar projects. Noncurrent assets remained relatively stable. The Agency received fees of \$114,000 for a solar project that will be closed on in the 2022 fiscal year. Fees from this project have been deferred and will be recognized in 2022.

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>2021</i>	<i>2020</i>	
<i>Operating Revenues</i>			
<i>Fee Income</i>	\$ 618,552	\$ 19,409	\$ 599,143
<i>Lease Income</i>	16,333	16,333	-
<i>Other Income</i>	90	2,700	(2,610)
<i>Non-Operating Revenues</i>			
<i>Interest and Earnings and Other</i>	1,288	58,900	(57,612)
<i>Total Revenues</i>	636,263	97,342	538,921
<i>Operating Expenses</i>			
<i>Professional and Administrative Expenses</i>	43,196	58,890	15,694
<i>Total Expenses</i>	43,196	58,890	15,694
<i>INCREASE IN NET POSITION</i>	\$ 593,067	\$ 38,452	\$ 554,615

Total revenues of the Agency increased \$538,921, due to large project fees on new solar projects. Total expenses of the Agency decreased \$15,694. The decrease in expenses stems from a reduction in overall costs in the current year.

The Cortland County Agriculture Local Development Corporation had \$1,006 in restricted cash and net position of \$430 at December 31, 2021, compared to \$2,952 in the prior year. This was primarily the result of an easement being paid in the current year. The Board voted for the dissolution of the Corporation and is currently in the process of undertaking those proceedings.

2022 FACTORS BEARING ON THE AGENCY'S FUTURE

Downtown Investment

Planning and design activities are near completion for the reconstruction of Main Street and related projects in downtown Cortland as proposed under the city's \$10 million Downtown Revitalization Initiative (DRI) grant. Actual construction for Main Street is scheduled to begin in the spring. The agency and its partners are assembling and will be staffing a public information campaign designed to keep downtown stakeholders aware of the projects progress as it runs through 2022 and 2023.

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, 2021

APEX

The former APEX manufacturing site on the city's east end was mothballed in 2017. The condition of the facilities prevented any future use, and the buildings were razed in the summer of 2021. The site, which is still littered with construction and demolition materials, has been identified by the CCIDA as having high value for redevelopment. The Agency is currently in negotiations to acquire the site, facilitate any environmental remediation that may be required, and begin work toward marketing the site for productive reuse.

Buckbee Mears Development Site

Under new ownership, 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.

Solar Development

The Agency has incentive seven solar projects of varying sizes over the past year, with a sole remaining project in the pipeline to date 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 are currently seeking siting permits from the state, as well. The IDA expects to have involvement with the project upon the granting of state permits and a request from the company for tax abatements and other incentives.

Agency Headquarters

The CCIDA leases space at 40-42 Main St. in the city of Cortland and is desirous of acquiring the building from the current owner. The acquisition, planned for this year, 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.

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, 2021

	<u>Primary Government</u>	<u>Cortland County Agricultural Local Development Corporation</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents - Unrestricted	\$ 251,282	\$ -
Cash and Cash Equivalents - Restricted	-	1,006
Investments - Unrestricted	1,173,067	-
Prepaid Expenses	1,043	-
Total Current Assets	<u>1,425,392</u>	<u>1,006</u>
Noncurrent Assets		
Capital Assets, Net	2,026	-
Investments in Property	301,653	-
Total Noncurrent Assets	<u>303,679</u>	<u>-</u>
Total Assets	<u>1,729,071</u>	<u>1,006</u>
LIABILITIES		
Accounts Payable	2,955	576
Due to BDC	91,835	-
Deferred Revenue	114,000	-
Total Liabilities	<u>208,790</u>	<u>576</u>
NET POSITION		
Net Investment in Capital Assets	2,026	-
Restricted	-	430
Unrestricted	1,518,255	-
Total Net Position	<u><u>\$ 1,520,281</u></u>	<u><u>\$ 430</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, 2021

	<u>Primary Government</u>	<u>Cortland County Agricultural Local Development Corporation</u>
Operating Revenues		
Fee Income	\$ 618,552	\$ -
Lease Income	16,333	-
Other Income	90	-
Total Operating Revenues	<u>634,975</u>	<u>-</u>
Operating Expenses		
Administrative Support - BDC	25,000	-
Professional Services	14,583	-
Insurance	1,600	-
Other Expenses	2,013	2,523
Total Operating Expenses	<u>43,196</u>	<u>2,523</u>
Operating Income (Loss)	<u>591,779</u>	<u>(2,523)</u>
Nonoperating Revenues (Expenses)		
Interest and Earnings	1,388	1
Gain (Loss) on Sale of Asset	(100)	-
Total Nonoperating Revenues	<u>1,288</u>	<u>1</u>
Change in Net Position	593,067	(2,522)
Net Position, January 1, 2021	<u>927,214</u>	<u>2,952</u>
Net Position, December 31, 2021	<u><u>\$ 1,520,281</u></u>	<u><u>\$ 430</u></u>

See Notes to Financial Statements

CORTLAND COUNTY INDUSTRIAL DEVELOPMENT AGENCY

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Primary Government</u>	<u>Cortland County Agricultural Local Development Corporation</u>
Cash Flows From Operating Activities		
Cash Received from Providing Services	\$ 634,975	\$ -
Cash Payments - Contractual Expenses	<u>72,872</u>	<u>(2,181)</u>
Net Cash Provided (Used) by Operating Activities	<u>707,847</u>	<u>(2,181)</u>
Net Cash Provided (Used) by Financing Activities	<u>-</u>	<u>-</u>
Cash Flows From Investing Activities		
NBV of Disposed Asset	500	-
Sale of Route 11 Property	-	-
Purchase of Investments	(562,377)	-
Interest Income Received	<u>1,388</u>	<u>1</u>
Net Cash Provided (Used) by Investing Activities	<u>(560,489)</u>	<u>1</u>
Net Change in Cash and Cash Equivalents	147,358	(2,180)
Cash and Cash Equivalents, January 1, 2021	<u>103,924</u>	<u>3,186</u>
Cash and Cash Equivalents, December 31, 2021	<u>\$ 251,282</u>	<u>\$ 1,006</u>
Reconciliation of Net Revenue Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities		
Operating Revenue (Expense)	\$ 591,779	\$ (2,523)
Adjustments to Reconcile Net Operating Revenue (Expense) to Net Cash Provided (Used) by Operating Activities		
Depreciation Expense	1,018	-
Decrease in Prepaid Expenses	34	-
Increase in Accounts Payable	1,016	342
Increase in Deferred Revenue	<u>114,000</u>	<u>-</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 707,847</u>	<u>\$ (2,181)</u>

See Notes to Financial Statements

CORTLAND COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

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.

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, 2021

***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 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 Agency; the Chief Finance Officer and Project Development Director of the BDC 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 BDC’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.

Revenues

The Agency first utilizes restricted resources to finance qualifying activities.

CORTLAND COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

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

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 \$1,423,848 at December 31, 2021, all of which was FDIC insured. Carrying value of deposits at December 31, 2021 totaled \$1,424,348.

Component unit bank balances and carrying value totaled \$1,006 at December 31, 2021 and were entirely insured.

The Agency also had the following twelve-month certificates of deposit stated at fair value, at December 31, 2021:

<u>Type of Investment</u>	<u>Maturity Date</u>	<u>Cost</u>	<u>Carrying Amount Fair Value</u>	<u>Level</u>
Certificate of Deposit	May 4, 2022	\$ 306,814	\$ 306,814	(2)
Certificate of Deposit	June 8, 2022	415,910	415,910	(2)
Certificate of Deposit	February 4, 2022	225,000	225,170	(2)
Certificate of Deposit	March 21, 2022	225,000	225,173	(2)
Total		<u><u>\$ 1,172,724</u></u>	<u><u>\$ 1,173,067</u></u>	

The Agency categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation of inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The Agency does not typically purchase investments for a duration long enough to cause it to believe that it is exposed to any material interest rate risk.

CORTLAND COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

Note 3 Capital Assets

At December 31, 2021, the Agency's capital assets consisted of the following:

Office Equipment	\$ 5,909
Leasehold Improvements	3,377
Less: Accumulated Depreciation	<u>(7,260)</u>
Net Capital Assets	<u><u>\$ 2,026</u></u>

The Agency incurred depreciation expense of \$1,018 for the year ended December 31, 2021.

Note 4 Investments in Properties

At December 31, 2021, the Agency held investments in two properties with a combined value of \$301,653.

- 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, 2021 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, 2021.

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 2021, PILOT payments of \$589,803 were received for real property tax payments compared to the \$1,552,009 which would have been received if businesses paid taxes in full. Abatements in aggregate totaled \$962,206. Exemptions for sales tax were \$60,480.

Note 6 Leases

On April 15, 1982, a 30-year land lease was signed with New York, Susquehanna, and Western Railway Corporation for the lease of rail owned by the Agency. The lease amount was \$500 per year. Per resolution dated December 10, 2012, the Agency extended the agreement an additional 10 years to December 31, 2023; stipulating annual lease payments of \$1,500. In addition, the Agency leases three billboards to an advertising firm, per an agreement dated October 18, 2011; effective January 1, 2012 through December 31, 2022. The rate per billboard varies by the type with a combined annual rate of \$14,833.

CORTLAND COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

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 BDC had paid and Contento had owed \$91,835 in expenses related to the property asset. At December 31, 2021, the Agency owed BDC \$91,835. This amount is expected to be paid to BDC upon sale of the property.

During 2014, the Agency entered into an administrative service agreement with the BDC. Under this agreement, the Agency agreed to pay BDC \$25,000 annually for administrative services commencing January 1, 2014. The agreement renews automatically unless terminated. Under the agreement, the Agency paid the BDC \$25,000 for the year ended December 31, 2021.

Note 8 Economic Uncertainty - COVID 19

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 Agency operates. Although there is still uncertainty regarding what, if any, this will have on funding, the Agency feels that it will be able to maintain operations in a fiscally sound manner.

Note 9 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. At December 31, 2021 the Ag Corp had contracted with an attorney to file the appropriate documents and anticipates the dissolution to formally occur in the 2022 fiscal year.

CORTLAND COUNTY INDUSTRIAL DEVELOPMENT AGENCY

SCHEDULE OF PROJECTS DECEMBER 31, 2021

Project Name	Project #	Purpose	Sales Tax Exemptions	Mortgage Tax Exemptions	Payments in Lieu of Taxes	Property Taxes if not Exempt	Total Property Tax Exemptions	Jobs Before/ Jobs at 12/31/21
Clocktower Project	1101-10-04	Property Development	\$ N/A	\$ N/A	\$ -	\$ -	\$ -	N/A
Cortland Crown Homes	1101-07-01	Construction	N/A	N/A	20,661	61,481	40,820	N/A
Cortland Commerce Center, LLC	1101-10-01	Property Development	N/A	N/A	110,451	161,119	50,668	196/128
Cortland Plastics	1101-10-02	Manufacturing	N/A	N/A	43,951	50,492	6,541	39/59
C'ville, LLC	1101-13-02	Manufacturing	N/A	N/A	76,436	228,040	151,604	0/105
Crescent Commons	1101-17-01	Housing/Commercial	N/A	N/A	-	287,776	287,776	0/2
Creamery Hills (SEPP Inc.)	1101-20-01	Housing	N/A	N/A	51,272	60,272	9,000	2/2
DG NY C'Ville #1	1101-21-03	Solar Construction	N/A	N/A	-	2,143	2,143	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	-	-	-	80/89
Janis Solar	1101-21-01	Solar Construction	12,100	N/A	-	19,084	19,084	N/A
Lapeer Solar	1101-19-01	Solar Construction	N/A	N/A	45,000	278,257	233,257	N/A
83-85 Main St.	1101-19-02	Commercial	48,380	N/A	14,000	13,391	(609)	N/A
Northeast Transformer	1101-13-01	Manufacturing	N/A	N/A	27,687	55,710	28,023	37/45
Forkey Construction & Fabrication	1101-14-01	Manufacturing	N/A	N/A	54,444	72,165	17,721	83/95
Pyrotek, Inc.	1101-11-02	Manufacturing	N/A	N/A	22,875	67,548	44,673	42/66
Sky Hospitality	1101-12-02	Tourism	N/A	N/A	62,404	99,335	36,931	0/9
Yellow 3 LLC	1101-21-02	Solar Construction	N/A	N/A	-	569	569	N/A
Suit-kote Corp.	1101-12-01	Construction	N/A	N/A	60,622	94,627	34,005	210/210
			\$ 60,480	\$ -	\$ 589,803	\$ 1,552,009	\$ 962,206	689/810

*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, 2021, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated _____, 2022.

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 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 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,

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
_____, 2022

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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, 2021, 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. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

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.

DISCUSSION ITEMS

Impact of Future Standards of the Governmental Accounting Standards Board (GASB)

The Corporation is in the process of assessing the future effects of each of the following:

- GASB has issued Statement No. 87, "Leases," effective for the year ending December 31, 2022.
- GASB has issued Statement No. 89, "Accounting for Interest Cost Incurred Before the End of a Construction Period," effective for the year ending December 31, 2022.

- GASB has issued Statement No. 91, “Conduit Debt Obligations,” effective for the year ending December 31, 2022.
- GASB has issued Statement No. 92, “Omnibus 2020,” effective for the year ending December 31, 2022.

Agency management will evaluate the impact each of these pronouncements may have on its financial statements and will implement them as applicable and when material.

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.

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,

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
_____, 2022

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Cortland County
Industrial Development Agency

Financial Reports

Cortland County IDA
Balance Sheet
February 28, 2022

ASSETS

CURRENT ASSETS		
NBT - Checking 5112	\$	111,855.45
NBT Money Mkt		274,627.74
Project Investment Fund #1		306,813.81
Project Investment Fund #2		415,910.38
Project Investment Fund #4		225,172.50
Prepaid Expenses		782.48
		1,335,162.36
TOTAL CURRENT ASSETS		
PROPERTY AND EQUIPMENT		
Land-Railroad Properties		209,818.00
Land-Contento Property		91,835.00
Leasehold Improvements		3,376.80
Accum.Depreciation-L.H.I.		(1,350.72)
Office Equipment		5,909.00
Accum.Depreciation-Equip		(5,909.00)
		303,679.08
NET PROPERTY & EQUIPMENT		
RECEIVABLES		
		0.00
TOTAL RECEIVABLES		
TOTAL ASSETS		\$ 1,638,841.44

LIABILITIES/FUND BALANCE

CURRENT LIABILITIES		
Deferred Revenue	\$	69,000.00
		69,000.00
TOTAL CURRENT LIABILITIES		
LONG TERM LIABILITIES		
Due to BDC-Contento Property		91,835.00
		91,835.00
TOTAL LONG TERM LIABILITIES		
TOTAL LIABILITIES		160,835.00
FUND BALANCE		
Unrestricted Earnings		1,520,281.50
Net Income		(42,275.06)
		1,478,006.44
TOTAL FUND BALANCE		1,478,006.44
TOTAL LIAB & FUND BALANCE		\$ 1,638,841.44

Cortland County IDA
Income Statement
For the Two Months Ending February 28, 2022

	Current Month	Year to Date
REVENUE		
Interest on Deposits	\$ 61.38	\$ 62.22
Land Lease	0.00	16,333.00
Cort Crown Homes PILOT	0.00	23,079.40
Creamery Hills PILOT	0.00	7,635.41
83-85 Main LLC PILOT	0.00	14,000.00
Lapeer Cortland Solar PILOT	0.00	45,000.00
	<hr/>	<hr/>
Total Revenue	61.38	106,110.03
	<hr/>	<hr/>
TOTAL REVENUE	<u>61.38</u>	<u>106,110.03</u>
EXPENSES		
Accounting	4,000.00	4,000.00
Legal	4,212.00	4,212.00
Property Taxes	0.00	197.44
D & O Insurance	130.42	260.84
Cort Crown Homes PILOT	0.00	23,079.40
Creamery Hills PILOT	0.00	7,635.41
83-85 Main LLC PILOT	0.00	14,000.00
Lapeer Cortland Solar PILOT	0.00	45,000.00
BDC Admin Support	0.00	50,000.00
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TOTAL EXPENSES	8,342.42	148,385.09
NET INCOME	<u>\$ (8,281.04)</u>	<u>\$ (42,275.06)</u>



Cortland County
Industrial Development Agency

Director's Report