

**BROOME COUNTY
LOCAL DEVELOPMENT CORPORATION**

Binghamton, New York

FINANCIAL REPORT

**For the Year Ended
December 31, 2023**



BROOME COUNTY
LOCAL DEVELOPMENT CORPORATION

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Broome County Local Development Corporation
Binghamton, New York

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Broome County Local Development Corporation (the Corporation), a component unit of the County of Broome, New York, as of and for the year ended December 31, 2023 and the related notes to the financial statements, which collectively comprise the Corporation'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 the Broome County Local Development Corporation as of December 31, 2023, and the changes in financial position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 Corporation's basic financial statements. The Schedule of Indebtedness and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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 Indebtedness and Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2024, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Corporation's internal control over financial reporting and compliance.

Respectfully submitted,



Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
March 26, 2024

BROOME COUNTY LOCAL DEVELOPMENT CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2023

The following Management's Discussion and Analysis (MD&A) provides a comprehensive overview of the Broome County Local Development Corporation's (the Corporation) financial position as of December 31, 2023 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 Corporation, which directly follow the MD&A.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The financial statements of the Corporation have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) 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 Corporation and the financial activity and results of its operations during the year. A description of these statements follows.

- **The Statement of Net Position** presents information on all of the Corporation'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 of whether the financial position of the Corporation is improving or deteriorating.
- **Statement of Revenues, Expenses, and Changes in Net Position** presents information showing the change in the Corporation'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.
- **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 by operating, non-capital financing, capital financing, and investing activities.

BROOME COUNTY
LOCAL DEVELOPMENT CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

FINANCIAL ANALYSIS OF THE CORPORATION AS A WHOLE

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

Figure 1

<i>Condensed Statement of Net Position</i>	<i>Total Corporation</i>		<i>Total Dollar Change</i>
	<i>2023</i>	<i>2022</i>	
<i>Current Assets:</i>			
<i>Cash and Cash Equivalents</i>	\$ 2,225,960	\$ 5,420,376	\$(3,194,416)
<i>Accounts Receivable</i>	75,000	814,847	(739,847)
<i>Property Held for Resale</i>	261,647	261,647	-
<i>Total Current Assets</i>	2,562,607	6,496,870	(3,934,263)
<i>Total Assets</i>	2,562,607	6,496,870	(3,934,263)
<i>Current Liabilities:</i>			
<i>Accounts Payable</i>	-	2,000	(2,000)
<i>Unearned Revenue</i>	1,825,000	5,782,542	(3,957,542)
<i>Total Current Liabilities</i>	1,825,000	5,784,542	(3,959,542)
<i>Total Liabilities</i>	1,825,000	5,784,542	(3,959,542)
<i>Net Position:</i>			
<i>Unrestricted</i>	737,607	712,328	25,279
<i>Total Net Position</i>	\$ 737,607	\$ 712,328	\$ 25,279

Significant changes from prior year are as follows:

- Total assets and liabilities decreased significantly due to spending down Coronavirus State and Local Fiscal Recovery Funds (SLFRF) received from Broome County in the prior year.

BROOME COUNTY
LOCAL DEVELOPMENT CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023

Our analysis in *Figure 2* shows the operations of the Corporation's activities.

Figure 2

<i>Change in Net Position</i>	<i>Total Corporation</i>		<i>Total Dollar Change</i>
	<i>2023</i>	<i>2022</i>	
<i>Operating Revenues:</i>			
<i>In-Kind Revenue</i>	\$ 121,703	\$ 178,834	(57,131)
<i>Government Grants</i>	8,792,161	6,222,726	2,569,435
<i>Other Income</i>	168,757	127,448	41,309
<i>Total Revenues</i>	\$ 9,082,621	\$ 6,529,008	\$ 2,553,613
<i>Operating Expenses:</i>			
<i>Grant Expenses</i>	\$ 8,792,161	\$ 6,222,726	\$ 2,569,435
<i>Sponsorship Expenses</i>	30,681	46,197	(15,516)
<i>General and Administrative Expenses</i>	108,190	87,705	20,485
<i>In-Kind Expenses</i>	121,703	178,834	(57,131)
<i>Other Expenses</i>	4,607	21,974	(17,367)
<i>Total Expenses</i>	\$ 9,057,342	\$ 6,557,436	\$ 2,499,906
<i>CHANGE IN NET POSITION</i>	\$ 25,279	\$ (28,428)	\$ 53,707

Significant changes from prior year are as follows:

- Total revenue and expense increased significantly due to SLFRF passthrough funds from Broome County and associated expenses.

FACTORS BEARING ON THE CORPORATION'S FUTURE

- The Corporation will continue to look for funding opportunities to further its mission of promoting local development. Each year, the Corporation will evaluate opportunities for investment of its resources in furthering this mission. In addition, the LDC hopes to close on the sale of 4301 Watson Blvd, the former IBM Country Club to Conifer Reality for the purpose of constructing new affordable housing. The Corporation secured another NYSEG Economic Development Outreach Grant for \$75,000. The Corporation continued to seek donations from private individuals and corporations to support this effort. The Corporation will continue to support this initiative into 2024 and beyond.

***BROOME COUNTY
LOCAL DEVELOPMENT CORPORATION***

**MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2023**

CONTACTING THE CORPORATION'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Corporation's clients, investors, and creditors with a general overview of the Corporation's finances and to demonstrate the Corporation's accountability for the money it receives. If you have questions about this report or needed additional financial information, contact the Broome County Local Development Corporation, 5 South College Drive Binghamton, New York 13905.

BROOME COUNTY
LOCAL DEVELOPMENT CORPORATION

STATEMENT OF NET POSITION
DECEMBER 31, 2023

ASSETS

Current Assets

Cash and Cash Equivalents	\$ 2,225,960
Accounts Receivable	75,000
Property Held for Resale	<u>261,647</u>

Total Assets \$ 2,562,607

LIABILITIES AND NET POSITION

LIABILITIES

Current Liabilities

Unearned Revenue	<u>\$ 1,825,000</u>
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Total Liabilities 1,825,000

NET POSITION

Unrestricted	<u>737,607</u>
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Total Net Position 737,607

Total Liabilities and Net Position \$ 2,562,607

See Notes to Financial Statements

BROOME COUNTY
LOCAL DEVELOPMENT CORPORATION

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023

Operating Revenues	
In-Kind Revenue	\$ 121,703
Government Grants	8,792,161
Other Income	<u>168,757</u>
Total Operating Revenues	<u>9,082,621</u>
Operating Expenses	
Grant Expenses	8,792,161
Sponsorship Expenses	30,681
General and Administrative Expenses	108,190
In-Kind Expenses	121,703
Other Expenses	<u>4,607</u>
Total Operating Expenses	<u>9,057,342</u>
Operating Income	25,279
Net Position, January 1, 2022	<u>712,328</u>
Net Position, December 31, 2023	<u><u>\$ 737,607</u></u>

See Notes to Financial Statements

BROOME COUNTY
LOCAL DEVELOPMENT CORPORATION

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

Cash Flows From Operating Activities	
Cash Received From Providing Services	\$ 739,847
Cash Received From Governmental Grants	4,834,619
Cash Received From Other Sources	168,757
Cash Payments to Vendors	<u>(8,937,639)</u>
Net Cash Provided (Used) by Operating Activities	<u>(3,194,416)</u>
Net Change in Cash and Cash Equivalents	(3,194,416)
Cash and Cash Equivalents, January 1, 2023	<u>5,420,376</u>
Cash and Cash Equivalents, December 31, 2023	<u><u>\$ 2,225,960</u></u>
Reconciliation of Net Operating Income to Net Cash	
Provided (Used) by Operating Activities:	
Operating Income	\$ 25,279
Adjustments to Reconcile Net Operating Income to Net Cash	
Provided (Used) by Operating Activities:	
(Increase) Decrease in Accounts Receivable	739,847
Increase (Decrease) in Accounts Payable	(2,000)
Increase (Decrease) in Unearned Revenue	<u>(3,957,542)</u>
Net Cash Provided (Used) by Operating Activities	<u><u>\$ (3,194,416)</u></u>
Supplemental Disclosures	
Noncash Operating Activities	
In-Kind Revenue	\$ 121,703
In-Kind Expenses	121,703

See Notes to Financial Statements

BROOME COUNTY LOCAL DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2023

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

The financial statements of the Broome County Local Development Corporation (the Corporation) have been prepared in conformity with generally accepted accounting principles of the United States (U.S. GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing U.S. GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Corporation's accounting policies are described below.

Financial Reporting Entity

The Corporation was established in 2011 and is governed by its Articles of Incorporation, bylaws, and general laws of New York State. The Corporation is a discretely presented component unit of Broome County's basic financial statements due to the County's ability to influence the decisions of the Corporation. The Corporation's Board of Directors is comprised of individuals appointed by the County.

The financial reporting entity consists of (a) the primary government which is the Broome County Local Development Corporation; (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 GASB Statement No. 14, "The Financial Reporting Entity," as amended.

The decision to include a potential component unit in the County's reporting entity is based on several criteria set forth in GASB Statement No. 14, "The Financial Reporting Entity," as amended.

Basis of Accounting

The accounts of the Corporation are maintained on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned. Material revenues accrued include administrative fees. Expenses are recorded when the liability is incurred.

Cash and Cash Equivalents

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

Equity Classifications

Equity is classified as net position and displayed in two components:

- **Restricted:** Consists of net resources with constraints placed on their 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. The Corporation had no restricted resources at year end.
- **Unrestricted:** Consists of all other resources that do not meet the definition of "restricted."

BROOME COUNTY
LOCAL DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 1 Summary of Significant Accounting Policies - Continued

Tax-Exempt Bond Transactions

The Corporation is an issuer of tax-exempt bond financing for qualified projects. These bonds are the obligation of the borrower. Because the Corporation has no obligation to repay the principal and interest of such bonds, they are not reflected as liabilities in the accompanying financial statements. The Corporation receives bond issuance fees from the borrower for providing this service. Bond issuance fees are recognized immediately upon issuance of the related bond. The Corporation did not issue any new bonds during 2023. The accompanying Schedule of Indebtedness summarizes outstanding tax-exempt bond issues.

Fee Income

The Corporation charges a service fee for each qualified project tax-exempt bond financing it issues, which is intended to be used to fund continuing operations.

Unearned Revenue

Unearned revenue arises when resources are received by the Corporation before it has legal claim to them. In subsequent periods, when the Corporation has legal claim to the resources, the liability for unearned revenue is removed and revenue is recorded.

New Accounting Standards

The Corporation adopted and implemented the following current Statements of the GASB effective for the year ended December 31, 2023:

- GASB has issued Statement No. 96, “Subscription-Based Information Technology Arrangements,” effective for the year ending December 31, 2023. The Corporation has determined that there was no material effect on the financial statements.

Future Changes in Accounting Standards

- GASB has issued Statement No. 101, “Compensated Absence,” effective for the year ending December 31, 2024.

The Corporation will evaluate the impact this pronouncement may have on its financial statements and will implement as applicable and when material.

BROOME COUNTY
LOCAL DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 2 Cash and Cash Equivalents

State statutes govern the Corporation's investment policies. In addition, the Corporation has its own written investment policy. 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 for the Corporation at 105% and 100%, respectively, 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 bank balances of the Corporation of \$2,230,960 at December 31, 2023 are covered by FDIC insurance up to \$250,000. As of December 31, 2023, all deposits in excess of FDIC insurance with financial institutions were insured with securities held by the pledging financial institution in the Corporation's name.

Note 3 Property Held for Resale

The Corporation is holding land and building costs totaling \$261,647 of property within Broome County for economic development and resale in accordance with program purposes.

Note 4 Commitments and Contingencies

The Corporation is exposed to various risks of loss related to theft of, damage to, and destruction of assets, and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance for each of the past three years.

The Corporation has received grants and/or program funds which are subject to audit by agencies of the state and federal governments. Such audits may result in disallowances and a request for return of funds. The Corporation believes disallowances, if any, will be immaterial.

Note 5 Related Party Transactions

The Broome County Industrial Development Agency (the Agency) performs administrative and supporting services for the Corporation amounting to \$121,703 for the year ended December 31, 2023. In addition, members of the Agency's Board of Directors make up the Board of Directors for the Corporation.

During 2023, the Corporation was a subrecipient of \$10,617,161 Coronavirus State and Local Fiscal Recovery Funds as well as Community Development Block Grant funds, which were passed through from Broome County for the purpose of local economic development. During the year the Corporation earned and expended \$8,792,161, leaving \$1,825,000 of unearned revenue.

BROOME COUNTY
LOCAL DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

Note 6 **Subsequent Event**

During March of 2024, the Corporation was awarded as the beneficiary of \$500,000 of American Rescue Plan Funds through Broome County for the purpose of supporting small business throughout Broome County.

***BROOME COUNTY
LOCAL DEVELOPMENT CORPORATION***

**SCHEDULE OF INDEBTEDNESS
DECEMBER 31, 2023**

	<u>Month and Year</u>	<u>Current Interest Rate</u>	<u>Outstanding Beginning of Fiscal Year</u>	<u>Issued During Fiscal Year</u>	<u>Paid During Fiscal Year</u>	<u>Outstanding End of Fiscal Year</u>	<u>Final Maturity</u>
BCC Housing Development Corp. Revenue Bond	7/2013	*	\$ 14,623,493	\$ -	\$ 507,708	\$ 14,115,785	6/2043
Good Shepherd Revenue Refunding Bond	12/2021	4%	49,475,000	-	1,290,000	48,185,000	7/2047
UHS - Wilson Medical Center	8/1/2020	Variable/Fixed Conversion	257,495,000	-	-	257,495,000	8/1/2040
TOTAL			<u>\$ 321,593,493</u>	<u>\$ -</u>	<u>\$ 1,797,708</u>	<u>\$ 319,795,785</u>	

* Calculated at the Bank Permanent Interest Rate, which is equal to (LIBOR rate + 2.10%) x 67%

**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***

Board of Directors
Broome County Local Development Corporation
Binghamton, 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 Broome County Local Development Corporation (the Corporation), a component unit of the County of Broome, New York, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated March 26, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

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

Respectfully submitted,

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

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
March 26, 2024



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH
MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY UNIFORM GUIDANCE**

Board of Directors
Broome County Local Development Corporation
Binghamton, New York

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Broome County Local Development Corporation's (the Corporation), a component unit of the County of Broome, New York, compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Corporation's major federal programs for the year ended December 31, 2023. The Corporation's major federal programs are identified in the summary of auditors' results section of the accompanying Schedule of Findings and Questioned Costs.

In our opinion, the Corporation, complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Corporation's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Corporation's federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Corporation's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Corporation's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Corporation's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Corporation's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,



Inero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
March 26, 2024

**BROOME COUNTY
LOCAL DEVELOPMENT CORPORATION**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Federal Grantor/ Pass - Through Grantor Program Title	Federal ALN #	Pass Through Grantor ID#	Pass Through to Subrecipients	Expenditures
U.S. Department of Treasury				
Passed Through Broome County:				
(COVID-19) Coronavirus State and Local Fiscal Recovery Funds	21.027	(1)	\$ -	\$ 8,140,529
Total U.S. Department of Treasury			<u>-</u>	<u>8,140,529</u>
U.S. Department of Housing and Urban Development				
Passed Through Broome County:				
Community Development Block Grants				
Entitlement Grant Cluster:				
(COVID-19) Community Development Block Grants/Entitlement Grants	14.228	(1)	-	651,632
Total U.S. Department of Housing Urban Development			<u>-</u>	<u>651,632</u>
Total Expenditures of Federal Awards			<u>\$ -</u>	<u>\$ 8,792,161</u>

(1) - denotes unable to determine.

See Notes to Schedule of Expenditures of Federal Awards

BROOME COUNTY
LOCAL DEVELOPMENT CORPORATION

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2023

Note 1 **Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all Federal awards programs administered by the Broome County Local Development Corporation, an entity as defined in Note 1 to the Corporation's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through from other government agencies, are included on the Schedule of Expenditures of Federal Awards.

Note 2 **Basis of Accounting**

The basis of accounting varies by federal program consistent with the underlying regulations pertaining to each program. The information is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in, preparation of the financial statements.

Note 3 **Indirect Costs**

Indirect costs are included in the reported expenditures to the extent they are included in the federal financial reports used as the source for the data presented. The Corporation has elected not to use the 10% de minimis indirect cost rate allowed under Uniform Guidance.

Note 4 **Matching Costs**

Matching costs, such as the Corporation's share of certain program costs, are not included in the reported expenditures.

Note 5 **Subrecipients**

No amounts were provided to subrecipients.

Note 6 **Other Disclosures**

No insurance is carried specifically to cover equipment purchased with Federal Funds. Any equipment purchased with Federal Funds has only a nominal value and is covered by the Corporation's casualty insurance policies.

There were no loans or loan guarantees outstanding at year end.

***BROOME COUNTY
LOCAL DEVELOPMENT CORPORATION***

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023**

Section I Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified that are not considered to be material weakness(es)? Yes None Reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified that are not considered to be material weakness(es)? Yes None Reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance §200.516(a)? Yes No

Identification of major programs:

<u>ALN Numbers</u>	<u>Name of Federal Program or Cluster</u>
<u>21.027</u>	<u>(COVID-19) Coronavirus State and Local Fiscal Recovery Funds</u>

Dollar threshold used to distinguish between Type A and Type B Programs: \$ 750,000

Auditee qualified as low-risk? Yes No

Section II Financial Statement Findings None

Section III Federal Award Findings and Questioned Costs None