



Annual Report 2007



Matthew T. Ryan, Mayor
Merry Harris, Executive Director

BLDC

Binghamton Local Development Corporation

March 22, 2008

I am pleased to present this Annual Report which highlights the activities of the Binghamton Local Development Corporation in the fiscal year September 1, 2006 through August 31, 2007.

The BLDC continued to build on its strengths including revamped loan programs, engaged participation by directors and members and a staff energized by the increase in activity. Director Peter Newman resigned and we were pleased to welcome Chet Schultz, Vice President & Senior Business Relationship Manager for HSBC Bank to the Board. We were delighted when long time member Bev Majka returned to active participation in June bringing her valued qualities of experience and advocacy. The level of attendance – and active contributions - at meetings and by committees was once again exceptional by all accounts. I congratulate all of you on our many achievements during the year.

The members embraced the city's economic and community development implementation strategy, the **Binghamton Pact**, which calls for a healthy neighborhood approach to revitalization, downtown partnerships, sustainable development and promotion of "Action Centered Tourism." Key elements of the strategy have been incorporated into policy and practice throughout the BLDC.

The BLDC supported a unique effort to enhance the central business core by approving \$10,000 from UDAG funds to help match a "Wireless Communities" grant from the Empire State Development Corporation to create a free **WiFi** zone in one-square mile in the urban core. The grant was awarded to the City in May 2007 and implementation is underway.

In March 2007 the HUD regional office conducted an audit of the BLDC loan program supported by CDBG funds. Overall the audit went very well and the HUD officers were complimentary of the administration of the programs. Their one finding and one observation related to the nature of the agreement between the City and the BLDC. The BLDC satisfactory responded to the finding by rewriting the agreement to conform to the standard "Sub-recipient" format that HUD wanted to see. The observation concerned the extended oversight by the City Council, the requirement that the Council approve loans of \$25,000 or more. This has been brought to the attention of the Council, which was enough for the time being.

Key to the next phase of the BLDC resurgence was the initiation of an **Outreach and Communications Committee** with the mission *"To market the established BLDC programs to the appropriate target audiences while searching for new markets to penetrate. To continuously assess the needs of the business community and work to establish programs that will fill any gaps."* Nathaalie Maxwell took the lead in chairing the committee and was joined by members

A Partner in the Greater Binghamton Coalition

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Merry Harris, Executive Director maharris@cityofbinghamton.com

John Paterson, Jim Dessauer, and staff members Phil Grommet and Leigh Ann Scheider, Community Relations Director for the City. One outstanding accomplishment spearheaded by Financial Analyst Phil Grommet was the premier of the "BLDC Bulletin" a bi-monthly newsletter that promotes the programs and accomplishments of the office and highlights economic development in the city. The newsletter has been very well received by the public and adds new subscribers with each issue. The committee developed a marketing plan that was adopted by the Board. It called for overhaul and upgrade of the website – a goal accomplished this year - tiered outreach to targeted populations who can partner with the BLDC to get out the word on our programs, development of a power point presentation and tri-fold brochure specific to the services of the BLDC, public speaking engagements, surveys of BLDC borrowers, placement of signs at BLDC funded projects, and as a finale, a business plan competition. The efforts of the Outreach Committee have already reaped benefits from increased visibility and new partnerships in the community.

An ad hoc **Strategic Priorities Committee** undertook a complete review of all loan programs in the context of HUD regulations, the current market and the economic climate in the City. Sylvia Kerber chaired the committee and Deb Andrako, Don Bergin, Ron Sall, and staff members Merry Harris, Phil Grommet and Mike Atchie all participated in the spirited discussions and in depth analysis of BLDC programs and strategies. January 2007 the Board adopted the committee's recommendations for new program guidelines aimed at replenishing loan funds, supporting the City's strategic plan for economic development and meeting current needs in our market. The Board determined that the committee should become permanent to conduct an annual review of loan programs with attention to market trends and opportunities.

The **Governance Committee** under the able leadership of Lea Webb with members Patricia Cummings, Ken Frank and Mike Atchie, continued implementation of the NYS Public Authorities Accountability Act of 2005, including attendance by Directors at required training to assure that they were well versed in their responsibilities. The committee sponsored a member retreat in January that resulted in an enriched understanding of the purpose and potential of the BLDC and an updated mission including a commitment to "sustainable" development. The committee recommended and the Board adopted changes to the by laws to include an attendance policy, establish an ad hoc ethics committee, add a formal process for members to declare or report potential conflicts of interest, and providing for a bond to cover the financial acts of the directors.

While only two projects completed the full loan review and approval process, inquiries and loans initiated remained consistent. The **Loan Committee** under the leadership of Deb Andrako with active participation by Tim Grippen, Nathaalie Maxwell, Ken Frank, John Cox, Chet Schultz and Mike Atchie, conducted their usual thorough review of the applications presented. As a result, two loans from the Revolving Fund Loan Program received approval from the Board of Directors and City Council.

In May the BLDC awarded a loan of \$80,000 to support the opening of a French cuisine restaurant the **Kilmer Brassiere and Steak House** in the historic Kilmer building at Henry

and Chenango Streets. This unique addition to the downtown is expected to draw customers from a broad region and enhance the ever increasing vitality in the city's urban center.

A project to reclaim a former brownfield on the City's busy upper Court Street gateway resulted in approval of a loan for \$100,282 for **Bubbles Professional Auto Care** to expand operations. The new facility allowed Bubbles, already a BLDC borrower, to add car wash and oil change services to its already successful auto detailing business.

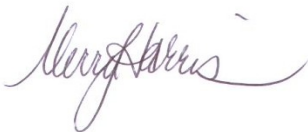
These two projects leveraged an additional \$635,150 in private investment for total project investment of \$815,432. At least 5.5 full time equivalent jobs will be created and in all likely hood that goal will be exceeded.

The Loan Committee also met to discuss strategic and policy issues, including the BLDC budget and long term viability, funding for vacant property rehabilitation and potential collaboration in upcoming Restore NY projects.

With each year I am more impressed with the caliber of the directors and members of the Binghamton Local Development Corporation. As the Mayor and I say at each meeting, this is an outstanding group of highly motivated and performing professionals. My interaction with you and your support of my initiatives is the highlight of my work, and I thank you. I am fortunate as well to have talented and dedicated staff members who respond to new challenges – and I provide those on a regular basis – while keeping current with the array of service and activities the business community expects of us.

With your continued support and that of Mayor Ryan and our colleagues here at City Hall and out in the community, the BLDC staff looks forward to another year of exciting opportunities and smart growth in the City of Binghamton.

Sincerely,

A handwritten signature in cursive script, appearing to read "Merry Harris".

Merry A. Harris, Executive Director
Binghamton Local Development Corporation

Staff Highlights

Executive Director **Merry Harris** participated in the “One Stop Shop” initiated by the Greater Binghamton Coalition. The aim was to bring together economic development practitioners in one location to meet with prospective developers. While not all members actually “co-located” with the Greater Binghamton Chamber in the MetroCenter, all were within a phone call away for rapid response and met at least monthly for planning and coordination. In August 2007 Greater Binghamton was featured in the US Air in flight magazine largely as a result of the initiative and coordination of BEDO- BLDC. Merry lead a team of representatives from Binghamton University and downtown businesses to plan and implement a “Welcome to Downtown” campaign for the August 2007 opening of the Binghamton University Downtown Center. She has an ongoing and active relationship with CIC2020 and numerous other university affiliated faculty and student groups. Along with Director of Planning Housing and Community Development Jim Dessauer she began working with the IDA on the development of the former Anitec site into the Charles Street Business Park. She worked closely with the Mayor and Corporation Counsel to market the Binghamton Regency Hotel after it came under the city’s ownership in February. The Executive Director collaborated with developers on projects for major downtown locations including the Press Building, the Fair Store, Ross-O’Neil building and the Stone Opera House as well as the Court Street gateway project and the National Trust for Historic Preservation Main Street program. While efforts to locate grocery store on Binghamton’s north side looked promising for much of the year as the office worked closely with Save-A-Lot to negotiate for space in the executive building at the Binghamton Plaza, issues with the plaza owner dashed those hopes in February. The office remains committed to bringing a provider of convenient, complete and wholesome foods to the North Side Neighborhood and has continued to explore a variety of options with the neighborhood residents.

Assistant Director **Joel Boyd** put together a program on “Enhancing Main Street: Making Upper Floors Work Again” with the cooperation of the NYS Preservation League and the Preservation Association of the Southern Tier. Nearly 80 developers, professionals and preservation enthusiasts participated in the enlightening and practical program in June. As a result, the NYSPA presented the city with a \$7500 planning grant to be used for adaptive reuse of an historical building in the city. Joel has taken on the role of “brownfield” specialist for the office, attending several training programs and participating in the monthly meetings of the Greater Binghamton Brownfield Committee. He also attended a program on sustainable development which fits in nicely with Joel’s strong commitment to historic preservation.

Economic Specialist and Financial Analyst **Phil Grommet** pursued additional training through the National Development Council economic development certification program and continued to hone his skills in financial analysis through research and practice. He actively sought out new resources from numerous potential partners, including the Small

Business Administration, US Department of Agriculture and NYSERDA. Phil is a key member of the Binghamton WiFi implementation team and has demonstrated strong business development skills in that role which included working with BU MBA students to produce marketing and business plans for Binghamton WiFi and putting those plans into action on the ground.

The business visitation program conducted by Economic Development Specialist **Mary Ellen Mauro** picked up during the year with the support of BU Interns who enjoyed the opportunity to get out into the city and visit new enterprises and BLDC borrowers. Probably the most time consuming aspect of Mary Ellen's myriad duties in the office was the full integration of the accounting system into an upgraded version of Quick Books. Mary Ellen attended training and worked with a consultant to transfer the old system to the new, a significant accomplishment that was heralded by our auditors. She continues to be the BLDC liaison to the Entrepreneurial Assistance Program based at BCC and participated in training related to that.

BU Interns provide a huge resource to the office. In 2006-7 interns assisted with commercial asset inventory surveys, business visitation, research on best practices in areas such as sustainable development, white water parks & tourism, university-city relations, as well as support for First Friday and the Main Street project.

Staff Development

These are some of the professional development experiences BLDC staff participated in during the 2006-6 fiscal year.

National Development Council: Economic Development Finance - Phil

National Development Council: Business Credit Analysis – Phil

Doing Business w/ Brownfields in NY - Phil

Enhancing Main Street, Making Upper-Floors Work Again - All

Rural Economic Area Partnership, Community & Economic Development Institute -
Joel

National Brownfield Association, Technical Assistance Training - Joel

Preservation League of NYS, Enhancing Main Street – Joel

Department of State, Division of Coastal Resources Roundtable – Joel, Merry

Department of State, Environmental Protection Fund Grant Seminar – Joel

National Trust for Historic Preservation Main Street Training - Merry, Joel

SBA 7(a) Centralization Training - Phil

NY State Empire Zones Training - All

Healthy Neighborhoods Housing Summit - Phil, Merry

GIS Training Seminar – All

University of Wisconsin Downtown Marketing Strategy – All

EAP Annual Training – Mary Ellen

Quick Books – Mary Ellen

Binghamton Economic Development Office – ongoing activities and partnerships

Downtown Binghamton Business Association (DBBA)

July Fest, Columbus Day Parade and Italian Fest, Holiday Tree Lighting

Gorgeous Washington Street Association

First Friday & beautification

Binghamton Downtown Inc. (Main Street organization)

Greater Binghamton Coalition Project Team

Binghamton University

University Downtown Center, CIC2020, Angelo Mastrangelo & MBA students,
Alumni and Student Affairs offices, OCC, Career Development Center

Restore New York

Binghamton Healthy Neighborhoods

Binghamton River Trails Commission

River Crawls

Pass through account for State Funding of the Empire Zone

Broome County STOP-DWI Program

Broome Triad Entrepreneurial Assistance Program

BINGHAMTON LOCAL DEVELOPMENT CORPORATION

**BOARD OF DIRECTORS AND MEMBERS
2007**

President	Timothy Grippen, <i>Opportunities for Broome Director</i>
Vice-President	Debra Andrako – NBT Bank
Secretary	Don Bergin, <i>Community Leader</i>
Treasurer	Nathaalie Maxwell, <i>Broome County Budget Director</i>
Director	Tarik Abdelazim, <i>Executive Assistant to the Mayor</i>
Director	Matthew Ryan <i>Mayor</i>
Director	Peter Newman, <i>M & T Bank(resigned 8/07)</i>
Director	Chet Schultz, <i>HSBC Bank (8/07-present)</i>
Director	Jim Dessauer, <i>City of Binghamton Director of Planning, Housing &Community Development</i>
Director	Patricia Cummings, <i>Lawyer</i>
Director	Ken Frank, <i>City of Binghamton Corporation Counsel</i>
Director	Chris Papastrat, <i>City Council Representative</i>
Director	Robert Weslar, <i>City Council Representative</i>
Director	John Cox, <i>City Comptroller</i>
Member	Sylvia Kerber, <i>Community Leader</i>
Member	Ron Sall, <i>Community Leader</i>
Member	Lea Webb, <i>Community Leader</i>
Member	John Patterson, <i>Community Leader</i>
Member	Beverly Majka, <i>Community Leader</i>

ADMINISTRATIVE STAFF

Office of Economic Development

Executive Director	Merry Harris
Assistant Director	Joel Boyd
Financial Analyst	Phil Grommet
Economic Dev. Specialist	Mary Ellen Mauro

LOAN COMMITTEE

NBT Bank	Debra Andrako
Corporation Counsel	Ken Frank
City Comptroller	John Cox
Br. Co. Budget Director	Nathaalie Maxwell
Opportunity for Broome	Timothy Grippen
HSBC Bank	Chet Schultz
Asst. Director of Planning, Housing & Community Development	Mike Atchie

ACTIVITY REPORT OF THE BLDC IN 2007



The Binghamton Local Development Corporation was founded in 1982 to promote and assist in the establishment, growth and development of businesses in the City of Binghamton. The purpose of the BLDC is to encourage the location and expansion of manufacturing, commercial service, and professional firms, which will create job opportunities for Binghamton residents.

The Mission of the Binghamton Local Development Corporation is to further sustainable development in the City of Binghamton by attracting new business, retaining and growing established business, building industrial and commercial capacity and promoting employment.

The BLDC loan program includes the Revolving and Microenterprise Loan Program Funds supported by Community Development Block Grant (CDBG) funds and the Commercial Façade Improvement Loan Program and Special Projects Funds, supported by the Urban Development Action Grant (UDAG) repayments.

BLDC Supported Economic Development Projects – 2007

Kilmer Brasserie, Inc.

31 Lewis Street, Binghamton

Revolving Fund Loan



Kilmer Brasserie, Inc.

Kilmer Brasserie, Inc. will operate a French brasserie restaurant at the restored Kilmer Building on 31 Lewis Street in downtown Binghamton. The restaurant will be called Kilmer Brasserie & Steakhouse. It will serve lunch and dinner and will also have a bar and lounge business. The brasserie will include meals such as beef bourguignon, coq au vin, and steak au poivre. A large selection of wine, liquor, and champagne will be available.

In France, a brasserie is a café that doubles as a restaurant with a relaxed setting that typically serves single dishes. It has professional service and printed menus (unlike a bistro which may have neither), but offers more informal eating hours than a full-fledged restaurant. Typically, a brasserie is open every day of the week and the same menu is served all day.

The restaurant's location in the historic Kilmer Building will contribute to a unique, upscale dining experience unlike anything else in Greater Binghamton or South Central New York. The Kilmer Brasserie & Steakhouse will have the capacity for 110 seats in the main dining room and private dining rooms. An additional 60 seats will be available in the bar and lounge area.

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The structure of the proposed BLDC loan leverages \$375,000 of private investment, including a substantial \$80,000 in owner equity. When the Kilmer Brassiere, Inc. received Empire Zone Certification, an analysis showed that for every \$1.00 invested in the project had a multiplier effect of \$12.16 in the local economy. Number of jobs to be created, wages to be paid, benefits and the total investment factored in the calculation.

The Kilmer Brasserie & Steakhouse will create 25 full time equivalent jobs. Skilled kitchen staff and high end serving positions can be expected to generate above minimum wage earnings.

The owner, Jean-Baptiste Mavian, has several years of restaurant experience. Most recently he was a chef at Le French in New York City where he was also responsible for the importation and distribution of culinary ingredients. Between 1990 and 1998 he held several chef and management positions within New York City restaurants. He received formal training in France, where he obtained an associates degree in Hotel and Restaurant Management and later a Bachelor's Degree equivalent in Culinary Arts.

Bubbles Professional Automobile Care, LLC
450 Court Street, Binghamton

**Revolving Fund and
Commercial Façade Improvement**



Bubbles Professional Automobile Care sought BLDC financing for the purchase of an in-bay automatic car wash unit. The unit compliments other financing that aids the purchase and build out of a new automobile appearance and maintenance facility at 450 Court Street.

Bubbles Professional Automobile Care has operated at 203 Robinson Street in Binghamton since November 2004. Being zoned in the C4 Neighborhood Commercial District limited the extent to which Bubbles Professional Automobile Care can expand. Most car work deemed to be mechanical is prohibited. In order to expand the business a move to 450 Court Street was deemed necessary.

The location at 448½ and 450 Court Street accommodates expansion of the business' services. Zoning in the C1 Service Commercial District supports the addition of following revenue sources: oil changes, tire changes, brake work, self vacuum stations, gas station, and an automated car wash unit. The location is also a much better fit for a car service business. It is an area characterized with strip development, high traffic counts and numerous auto sales and service establishments.

Jeff Zembek will serve as General Manager of Bubbles Professional Automobile Care. He has over 10 years of experience in the automobile industry. He will oversee the day-to-day operations of management. The other owner, Holly Zembek, will assist in developing retail sales strategies. The proposed project calls for an expanded and remodeled structure in the center of the property. The structure will be about 3,200

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square feet and encompass the automated car wash, a car detailing station, an office, a waiting area, two lube bays, and storage space. Bubbles Professional Automobile Care has struck deals to feature Pennzoil motor oil and Lukoil gasoline.

The property at 450 Court Street is located along a major gateway into Binghamton. The build out and expansion of Bubbles Professional Automobile Care will have a significant economic impact along this important corridor. The proposed location has sat vacant for nearly five years. Prompting this disregard was a complicated site control issue incited by tax delinquency and environmental concerns.

In 2004, the former owner lost the property through foreclosure. No taxes have been collected from these parcels in nearly five years. After foreclosure, site control was sold to JER Revenue Service, a private entity who services municipal debt. During their period of control, JER Revenue Service showed little movement towards selling the property, but accumulated more payment claims through interest penalties. Unfortunately, this is a trend sited at several properties now under the control of JER Revenue Service. In short, this deal supports a project that paid back taxes to the city. This deal also puts a neglected and complex property back on the tax roll.

Further complicating this property was an outstanding complaint against it from the New York State Department of Environmental Conservation. As part of this deal, all environmental concerns have been eradicated. Holly and Jeff Zembek have conducted a Phase II Environmental Test; this project has alleviated a noted environmental concern.

This project will create four additional jobs; it also leverages \$260,150 in private investment. The proposed project will stimulate the local economy by expanding the tax base, leveraging investment, and creating jobs.

Additional Activities

Business Visitation Program

In 2007, the BLDC continued the Business Visitation Program. This program provides the BLDC with the opportunity to learn about a firm's products and services, level of satisfaction with City services, and the various programs of the BLDC. Through our growing awareness of these businesses' products and services, we are able to promote their services to other businesses in the City of Binghamton and surrounding areas.

BLDC also has been in touch with hundreds of prospective businesses over the past year. Through outreach to businesses in other cities and states the BLDC has brought dozens of businesses into the City. This outreach includes marketing vacant properties in the City and encouraging these businesses to take advantage of our low interest loan programs.

Fund Administration

The staff of the Office of Economic Development continues to administer the funds of the BLDC as well as City of Binghamton loans and Interim or Float Loans. The audit of the financial statements for the year ended on August 31, 2007. Piaker & Lyons issued a satisfactory opinion. Included in the administration function is maintaining an accurate record of operations such as receivables/expenditures, loan repayments, banking and monthly accounting. The Economic Development department has transferred bookkeeping to Quickbooks 2007 to maintain records more easily and accurately. The administration function also includes documentation and monitoring of insurance coverage, UCC continuations, and documentation of job creation/retention. Monthly reports are made to the BLDC Board of Directors who are responsible for protecting the integrity of the loan portfolio.

Broome County Empire Zone

In 2007, the BLDC again served as the grant administrator for the Broome County Empire Zone. The Empire Zones Program offers many powerful incentives from New York State in an effort to attract and encourage businesses to invest and create jobs in the state's most distressed areas, particularly, aging urban cores. The BLDC staff members contribute in-kind services to the Broome County Empire Zone office, which is funded by Empire State Development as well as local member municipalities. The Empire Zones Program has been an integral component to the rehabilitation of many of the City's abandoned, vacant and in-rem properties. The incentives of the Empire Zone continue to assist in raising interest and leveraging private investment in the City. During the past year six Binghamton businesses were certified. The total number of City businesses that are Empire Zone certified is 130.

Broome Enterprise Triad

In 2007, the BLDC resumed being the grant administrator for the New York State Entrepreneurial Assistance Program of Empire State Development Corporation. The prime contractor for this program is the Broome Enterprise Triad consisting of Broome Community College, The Broome County Urban League and the Broome-Tioga Workforce Development System. The Entrepreneurial Assistance Program provides general entrepreneurial training classes conducted by business faculty at Broome Community College and community volunteers to cover a range of topics including marketing, finance, and market analysis which results in a completed business plan. The program provides individualized and specific assistance to newly opened businesses, providing follow-up support.

Special Events

The BLDC and Office of Economic Development continued its assistance and participation in the **Columbus Day Parade** and **Italian Festival** in October. The office staff complemented the efforts of the Downtown Binghamton Business Association (DBBA) in organizing these annual downtown events. In addition, BEDO-BLDC supported the Gorgeous Washington Street Association's monthly **First Friday** events, the weekly Farmers' Market, Chris Thater Memorial Races and many other promotional events and activities.

Officers:
James J. Lewis, CPA*ABV, CVA
Alan D. Piaker, CPA
Ronald L. Simons, CPA
Roy E. Fuller, CPA
John R. May, CPA*
Angelo J. Gallo, CPA
Richard A. Lynch, CPA
Amy E. Brown, CPA**

Principals:
Janeen F. Sutryk, CPA

Members of:
American Institute of Certified Public Accountants
New York State Society of Certified Public Accountants



Philip M. Piaker, CPA
(1921-2003)
Abraham L. Piaker, CPA
(1925-2005)

Of Counsel:
Allan R. Lyons, CPA
Kenneth L. Coleman, CPA

(607) 729-9373
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Website: pnlepa.com

*Also Licensed in Pennsylvania
**Also Licensed in Maryland
Also Member of:
International Association of Certified Valuation Analysts

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Binghamton Local Development Corporation
Binghamton, New York

We have audited the accompanying statement of financial position of **BINGHAMTON LOCAL DEVELOPMENT CORPORATION** (a non-profit organization), a component unit of the City of Binghamton, as of August 31, 2007, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Binghamton Local Development Corporation as of August 31, 2007, and the changes in its net assets and its cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America. We have previously examined the financial statements for the year ended August 31, 2006, on which we expressed an unqualified opinion. The data from that report has been included for the purpose of comparison.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 14, 2008, on our consideration of Binghamton Local Development 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 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 internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.


PIAKER & LYONS, P.C.

Binghamton, New York
May 14, 2008

BINGHAMTON LOCAL DEVELOPMENT CORPORATION
STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2007
WITH COMPARATIVE TOTALS FOR 2006

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	<u>2007</u>	<u>2006</u>
Current Assets				
Cash and Cash Equivalents	\$ 7,154	\$ 1,645,173	\$ 1,652,327	\$ 1,583,681
Current Portion of Loans Receivable	<u>-</u>	<u>324,370</u>	<u>324,370</u>	<u>338,562</u>
Total Current Assets	7,154	1,969,543	1,976,697	1,922,243
Loans Receivable, Net of Current Portion Less Allowance for Uncollectibles of \$254,000 in 2007 and 2006		1,087,344	1,087,344	972,233
Land		<u>68,000</u>	<u>68,000</u>	<u>68,000</u>
TOTAL ASSETS	<u>\$ 7,154</u>	<u>\$ 3,124,887</u>	<u>\$ 3,132,041</u>	<u>\$ 2,962,476</u>
Current Liabilities:				
Accounts Payable	<u>\$</u>	<u>\$ 297,595</u>	<u>\$ 297,595</u>	<u>\$ 3,089</u>
Total Liabilities		<u>297,595</u>	<u>297,595</u>	<u>3,089</u>
Net Assets:				
Unrestricted	7,154	-	7,154	4,472
Temporarily Restricted	<u>-</u>	<u>2,827,292</u>	<u>2,827,292</u>	<u>2,954,915</u>
Total Net Assets	<u>7,154</u>	<u>2,827,292</u>	<u>2,834,446</u>	<u>2,959,387</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 7,154</u>	<u>\$ 3,124,887</u>	<u>\$ 3,132,041</u>	<u>\$ 2,962,476</u>

See the accompanying notes to financial statements.

BINGHAMTON LOCAL DEVELOPMENT CORPORATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2007
WITH COMPARATIVE TOTALS FOR 2006

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2007</u>	<u>2006</u>
Support and Revenue				
Donations	\$ 6,515	\$ -	\$ 6,515	\$ 6,650
City of Binghamton Grant				
UDAG Repayments		<u>100,634</u>	<u>100,634</u>	<u>99,842</u>
Interest Income				
CDBG Loan Interest		50,985	50,985	52,201
UDAG Loan Interest	-	9,743	9,743	16,243
Other Interest Income	<u>26</u>	<u>5,612</u>	<u>5,638</u>	<u>2,845</u>
Total Interest Income	<u>26</u>	<u>66,340</u>	<u>66,366</u>	<u>71,289</u>
Other Grants				
Broome Triad Income		87,640	87,640	
Empire Zone		32,416	32,416	
Other Revenue				
Application, Closing and Administrative Fees	800	2,874	<u>3,674</u>	
Other Income		951	<u>951</u>	-
Penalties Collected		862	<u>862</u>	<u>872</u>
Total Other Grants and Revenue	<u>800</u>	<u>124,743</u>	<u>125,543</u>	<u>40,056</u>
Net Assets Released From Restrictions	<u>419,340</u>	<u>(419,340)</u>		
Total Support and Other Revenue	<u>\$ 426,681</u>	<u>\$ (127,623)</u>	<u>\$ 299,058</u>	<u>\$ 217,837</u>

See the accompanying notes to financial statements.

BINGHAMTON LOCAL DEVELOPMENT CORPORATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2007
WITH COMPARATIVE TOTALS FOR 2006

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	<u>2007</u>	<u>2006</u>
Expenditures				
City of Binghamton Grant - Section 108 Loan				
Payment - Community Development Block Grant	\$ 17,829	\$ -	\$ 17,829	\$ 143,864
Facilities, Personnel, Materials and Supplies -				
Community Development Block Grant	279,767		279,767	244,905
Empire Zone Program Expenses	32,416		32,416	33,357
Broome Triad Expense	87,640		87,640	
Promotional Expense	4,790		4,790	6,141
Miscellaneous	1,557		1,557	692
Façade Grants				24,814
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	423,999		423,999	453,773
Change in Net Assets	2,682	(127,623)	(124,941)	(235,936)
Net Assets - Beginning	4,472	2,954,915	2,959,387	3,195,323
Net Assets - Ending	\$ 7,154	\$ 2,827,292	\$ 2,834,446	\$ 2,959,387

See the accompanying notes to financial statements.

**BINGHAMTON LOCAL DEVELOPMENT CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2007 AND 2006**

	<u>2007</u>	<u>2006</u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ (124,941)	\$ (235,936)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used In) Operating Activities:		
Charge for Uncollectible Loans, Interest, and Satisfaction of Loan Requirements		24,814
Changes in Operating Assets and Liabilities:		
Accounts Payable	<u>294,506</u>	<u>358</u>
 Net Cash provided by (Used In) Operating Activities	 <u>169,565</u>	 <u>(210,764)</u>
Cash Flows From Investing Activities:		
Principal Repayments on Loans Receivable	360,494	470,838
Loans Funded	<u>(461,413)</u>	<u>(60,090)</u>
 Net Cash Provided By (Used In) Investing Activities	 <u>(100,919)</u>	 <u>410,748</u>
 Net Increase in Cash and Cash Equivalents	 68,646	 199,984
 Cash and Cash Equivalents at Beginning of Year	 <u>1,583,681</u>	 <u>1,383,697</u>
 Cash and Cash Equivalents at End of Year	 <u>\$ 1,652,327</u>	 <u>\$ 1,583,681</u>

Supplemental Disclosure of Non-Cash Operating Activities:

During the year ended August 31, 2006, Binghamton Associates, Inc. satisfied the loan agreement requirements and the loan became a grant and was forgiven.

\$ 24,814

See the accompanying notes to financial statements.