



Annual Report 2008



Matthew T. Ryan, Mayor
Merry Harris, Executive Director

BLDC

Binghamton Local Development Corporation

February 19, 2009

I am pleased to present this Annual Report which highlights the activities and accomplishments of the Binghamton Local Development Corporation and the Binghamton Economic Development Office in the fiscal year from September 2007 through August 2008.

The level of loan activity and economic development outreach and assistance remained high, as did the commitment and energy of the Board of Directors and members. An ever increasing interest in downtown Binghamton provided for many opportunities to work with small businesses as well as individual and corporate developers to install new niche retail and explore additional housing opportunities. More than 30 new businesses opened in 2008 with some level of support from BEDO-BLDC.

The BLDC **Loan Committee** and Board approved five loans, three from the Microenterprise Fund and two from the new Special Projects fund. The Micro Fund loans supported a specialty dress shop *On the Town Boutique* and *RiverRead*, a book store on Court Street and *Lindsey's Laundry Service*, a commercial laundry on Clinton Street. Special project loans went to the mixed use redevelopment of a property at 97 Court Street and to the City of Binghamton for the upfront costs to demolish the Ross-O'Neil Building. The loans totaled \$770,000 and leveraged an additional \$674,967 in private funds for a project total of \$1,444,975. If we eliminate the loan to the city which did not leverage private funds the balance is \$290,000 in BLDC investment leveraging \$797,000 in private funds for a project total of \$1,087,000. (See loan project details inside).

A continuing goal for the BLDC is seeking ways to expand its capacity. In support of that, the BLDC applied to the NYS Office of Community Renewal for and received a **Main Street Program grant** of \$200,000 to assist property owners with façade improvements in a deteriorated corridor of the center city. In addition, Financial Analyst Phil Grommet and BU interns researched the structure and programs of other Local Development Corporations and presented their findings to the Strategic Priorities and Governance Committees for further consideration.

The **Strategic Priorities Committee** of the BLDC continued to evaluate and calibrate its low-interest loan programs to support the City's economic development priorities and the changing local economy. Here are the highlights of the loan program changes:

A Partner in the Greater Binghamton Coalition

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Merry Harris, Executive Director maharris@cityofbinghamton.com

- Following a succession of market interest rate decreases, the BLDC acted to set a floor on its borrowing rates. The organization became concerned about decreasing loan revenues necessary to support administrative costs and acted to adjust rates on new loans to 75% of Wall Street Journal prime rate, but no less than 3%.
- Revised the terms of the Façade Improvement Loan program to require borrowers to provide evidence of equity investment in the project prior to BLDC funds being advanced; loan advances to be issued in three draws based on the construction schedule with interest only payments beginning with the first draw; requirement to complete draws on the loan within the construction schedule.
- Moved funding source of Microenterprise loans from CDBG to UDAG funds due to inconsistency in the job creation requirements between Revolving Fund, supported by CDBG funds (1 job per \$35,000 loaned) and the 1 job per a lesser loan amount in the Microenterprise program.
- Eliminated the number of employees restriction on Microenterprise Loans to focus more on the type of project and financing needed than the size of the business.

The **Governance Committee** completed a review of the organization's Bylaws and Recommended several amendments. The board voted to adopt a Code of Ethics for all officers and employees, to designate an Ethics Officer and to revise the Conflict of Interest section. The committee reviewed the reports on the organizational structure of other LDC and contacted the NYS Conference of mayors for additional information.

The **Outreach Committee** continued implementation of its marketing plan with outreach to "tier one" contacts, Financial institutions, professional firms and real estate brokers to provide them with information about BLDC services. This resulted in on-site meetings with financial institutions and the real estate association.

Our interaction with **Binghamton University** grew and blossomed in the first "**Binghamton Blowout Block Party - B3P**" held in September 2008 to welcome back BU students, introduce them to the city and provide a festive atmosphere for full-time citizens and student-citizens to interact. Summer interns in the office Omar Sanders, Seyma Bayram and Daren Marrom were key organizers of the event with the on-campus think tank CIC2020. An estimated 2,000 people attend and were treated to musical performances, dance, games and dozens of information tables. The project was one of many dynamic initiatives to support the goal of retaining students in the community following graduation that emerged from the CIC 2020 annual Leadership Institute in which BLDC is an engaged community partner.

The office hosted multiple interns from BU during both semesters and the summer, including our first graduate student in the MPA program. This provide a new link to the professional schools at BU.

The BLDC worked with the Mayor's office to implement **Binghamton Wireless** a free

WiFi network in the downtown core of the city. During the kick-off year usage increased to more than 10,000 users per month. Ongoing evaluation of the system provided for strategic changes to improve and expand service.

The office participated in the **Restore New York 2** application process and received an allocation of \$525,000 initially to support four commercial projects, but later directed to the demolition of the former Ross-O'Neil Building at the corner of State and Court Streets. The BLDC extended a loan to the city in that amount to pay for the up front demotion costs and was repaid in full in November 2008.

The office participated in monthly strategy meetings of the **Greater Binghamton Coalition** project team which included all the economic development practitioners in the Broome-Tioga region. In September we participated in the opening of the Greater Binghamton Innovation Center at 123 Court Street, a small business incubator sponsored by Broome County with State funding.

The office has been participating in the **Sustainable Development and Smart Growth Commission**, a part of the Mayor's Partnership for Change initiative since the spring. BEDO-BLDC is particularly focused on strategies and incentives to generate sustainable development in the city. Interns have been active in researching other areas for best practices. Assistant Director Joel Boyd participated in a "Green Building" conference, and found that to be a natural augmentation of his passion for preservation. One of our interns worked with the City's Sustainable Planner to create a "green restaurant " program.

The office continues to develop its **network** of agencies that share its mission. We expanded our relationship with the **Small Business Development Center (SBDC)** to create stronger ties to help support the development of new business in the city. In 2008 Mary Ellen Mauro initiated a joint **visitation program** to recently opened businesses with SBDC and interns to assure they were aware of the resources available. The BLDC maintained its ongoing partnership with the BCC based **Entrepreneurial Assistance Program (EAP)** to which Mary Ellen is the liaison. In addition, the office works ever more closely with the Planning and Community Development functions and building and code to help streamline the process for new business creation and job growth in the city.

Executive Director Merry Harris was invited to join the **Urban Council**, a Syracuse based advocacy organization for urban commercial centers. We hosted a meeting in Binghamton at the BU Downtown Center and has worked on the Council's forthcoming white paper on recommendations for economic development in the urban core in upstate NY.

BEDO-BLDC participated in the usual **promotional events** in the city. **July Fest 2008** featured a "Pirohi Day" in recognition of the city's designation as the Pirohi Capital

by Mrs. T's. Joel Boyd organized the first "**Parlor City 5-K Run**" in honor of the Pirohi which was well attended and drew a new crowd to the downtown festival.

Additional events:

- Earth Fest & River Crawl – highlighting Binghamton River Trails
- Greater Binghamton Business Show
- Chris Thater Memorial Bike Race
- B3P
- Columbus Day Parade and Italian Fest

Once again I am impressed with all that the Board, members and staff of the BLDC have accomplished in a year. While we were sad to see Financial Analyst Phil Grommet leave this fall to move to New York City to pursue a career in law, we have welcomed Matthew Zeitz, a Johnson City native and BU grad who filled the position in October and has been immersed in loan applications ever since. The increased interest in development in the city despite state and national trends is a great opportunity and I believe we are well situated to capitalize on our advantages. I appreciate the engagement, resourcefulness and support of the BLDC members and staff in working to reach our goals for sustainable development and smart growth in the City of Binghamton. I look forward to an even more productive year in ***Binghamton – A Place to Invest and Grow.***

Sincerely,

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

Merry A. Harris, Executive Director
Binghamton Local Development Corporation

BINGHAMTON LOCAL DEVELOPMENT CORPORATION

**BOARD OF DIRECTORS AND MEMBERS
2008**

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	Chet Schultz, <i>HSBC Bank</i>
Director	Mike Atchie, <i>City of Binghamton Acting Director of Planning, Housing & Community Development</i>
Director	Patricia Cummings, <i>Lawyer</i>
Director	Ken Frank, <i>City of Binghamton Corporation Counsel</i>
Director	Lea Webb, <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>

ADMINISTRATIVE STAFF

Office of Economic Development

Executive Director	Merry Harris
Assistant Director	Joel Boyd
Financial Analyst (left 10/08)	Phil Grommet
Financial Analyst (11/1-Pres)	Matthew Zeitz
Economic Develop. Spc.	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
Acting Director of Planning, Housing & Community Development	Mike Atchie

ACTIVITY REPORT OF THE BLDC IN 2008



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 – 2008

On the Town Dress Boutique

37 Court Street, Binghamton

Microenterprise



On the Town is a new women's dress boutique located at 37 Court Street. It is owned in partnership by Katheryn Tylanda and Laura Smith, who requested a loan to help purchase initial inventory. The loan complimented other financing that allowed for the build out and furnishing of the business space as well as opening expenses and necessary working capital.

On the Town is a destination boutique servicing the social occasion attire needs of women. This includes primarily dresses for occasions like cocktail, prom, and evening events as well as dresses for the mother of the bride. Dresses are available in various styles and sizes and the inventory is complimented by costume jewelry, and accessories well suited for any "on the town" occasion. The owners modeled this business after successful dress boutiques in other cities.

The business plan was well prepared, including competitive analysis indicating the absence of stores in the region catering to women's social occasion needs and market research indicating the demand for their business.

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The partners allocated funds for a grand opening and an initial marketing campaign. They have also identified a team comprised of close friends and family whom can advise them. This team includes individuals with backgrounds in accounting, retail, and downtown community development. The owners kept their outside employment working in the shop evenings and weekends. The business opened in May 2008 and operates from Tuesday to Sunday.

The \$10,000 BLDC loan helps to leverage \$70,000 private and commercial financing and owner equity. It meets the BLDC mission of attracting new business and its strategic focus to encourage entrepreneurship and revive the downtown business district with unique personal service enterprises.

Books on the River LLC d/b/a River Read Books Microenterprise

5 Court Street, Binghamton



River Read Books, an independent bookstore that opened in September 2008, occupies 1,600 square feet of rehabilitated first floor space on the Binghamton River Trail in downtown Binghamton. The owners, one of whom has worked many years in publishing and selling books, underwent training by the National Independent Bookseller Association, presented a well developed business plan.

The store carries a collection of fiction and non-fiction books, both printed and audio, specifically geared toward local residents, children, university students and professors, residents who work downtown, as well as tourists and visitors who are staying in downtown hotels. Most of the store space is devoted to printed and audio books. The remaining space houses cards, supplemental gift items, and lounge areas to browse books, study, and connect to the internet. The floor plan does not include a café, but a coffee/tea cart will be made available. RiverRead Books also sells some newspapers, magazines, college textbooks, and e-books.

RiverRead Books offers in store events like book signings, lecture series, and book groups. They are active participants in the First Friday Art Walk. The borrowers, three long time city of Binghamton residents, intend to keep their outside employment. They have different work schedules so someone is available to staff the store, supplemented by a part-time staff position and a bookkeeper. They intend to participate in co-op marketing and advertising arrangements. The store is open from 10am – 8pm on Monday through Saturday and from 12pm – 5pm on Sunday.

The \$20,000 BLDC Microenterprise loan, used for working capital and inventory, helped to leverage owner equity and private financing to make the \$140,000 project possible. It meets the BLDC mission to attract new business and the strategic focus on encouraging

entrepreneurship and revitalization of the downtown commercial core, particularly with mixed use development.

Lindsey's Laundry Service

299 Clinton Street, Binghamton

Microenterprise



Lindsey's Laundry Service handles personal and commercial accounts including pickups and deliveries as requested. The business started in July 2007, shortly after owner Floyd Lindsey left his long time employment at Duds and Suds. The concept for the business emerged when Floyd Lindsey continued to receive phone calls for laundry service even after leaving Duds and Suds.

The business started out in his home with just one washer and one dryer. With his many business contacts he has been able to expand the business. He has added many personal accounts and several commercial accounts including hair salons, tanning salons, and a bakery. His largest account is South Tier Imaging; he does all their laundry including sheets, blankets, towels, and gowns.

The expansion and relocation allowed Lindsey's Laundry Service to greatly increase operations. New washers improved the business's efficiency and profit, in part from enabling the service to take on summer camp accounts for which they have had numerous requests. Just one of these accounts can amount to 3,000 pounds per week and provide as much as \$2,000 a week in revenue. The Clinton Street storefront also provides visibility and encourages laundry drop offs. Lindsey's Laundry Service accepts dry cleaning that they can have done for you at a neighborhood dry cleaning business. The business operates six days a week from early morning to late at night.

The \$15,000 BLDC loan assisted with the purchase of equipment and working capital and leveraged owner equity and private financing to make the \$33,500 project possible. It meets the BLDC mission of retaining and growing businesses and the strategic focus on encouraging entrepreneurship and revitalizing neighborhood commercial districts with personal service enterprises.

Tartu Properties, LLC

97 Court Street, Binghamton

Special Projects



97 Court Street is located in downtown Binghamton's Court Street Historic District. Built in 1869, the four-story mixed-use structure contains 1,780 square feet of first floor commercial space as well as 5,340 square feet of upper floor residential space. This building is notable for being the former location of the Windsor Lounge.

This property has a history with the City of Binghamton. In November 2004 the city foreclosed on 97 Court Street. In February 2005 the city sold the property to Blue Storm Technologies for \$5,000 plus tax adjustments. This sale was made with the assurance that the property would be developed. For an array of reasons the development never occurred and in March 2007 Blue Storm Technologies sold the property to the current owners, Tartu Properties, LLC.

The members of Tartu Properties, LLC include Rick Pescatore, a retired teacher and member of the Preservation Association of the Southern Tier and two partners who live down state but have a strong commitment to our city. They have taken significant steps to restore the building including removal of debris from the building, stripping the walls and floors to the original brick and wood and reinforcing the building's structure. The building plans call for renovating the upper floors into upscale residential lofts and prepping the first floor for a commercial tenant. The Commission on Architecture and Urban Design has approved their exterior rehabilitation plans.

This project is unique in that the BLDC will work with a private financial institution to administer temporary construction financing by providing a commitment to take on the permanent mortgage upon project completion and issuance of a final certificate of occupancy. In this way, the BLDC avoids the complexity of administering construction financing, but supports a worthwhile project that would not move forward without its participation.

As of the writing of this report, the borrower is negotiating with the private financial institution. BLDC funding will leverage significant owner equity and private financing.

This \$200,000 loan helps leverage a \$600,000 project located in the center downtown of Binghamton, NY. This project meets the BLDC mission to build commercial capacity by creating new, viable first floor commercial space and the strategic focus of supporting mixed use development, bringing more people to live downtown and historic preservation in the urban core.

Demolition of the former Ross Building

Special Project

70-72 Court Street, Binghamton



In 2007 the City of Binghamton accepted title to the deteriorating Ross building to include it in the Restore New York program of Empire State Development Corporation. The long abandoned structure remained standing on the corner of State and Court Street in the city's downtown after the attached O'Neil Building began to crumble and had to be demolished earlier in the year.

While the initial goal was restoration, an investigation by a structural engineer revealed that the building was unsound and posed an imminent public danger. Plans were made to demolish the building using funds from Restore NY however, the state grant is reimbursement based. An investigation of resources available to advance the funds for the demolition ran into a dead end and the city requested a loan from the BLDC special projects program which uses UDAG funds. The city agreed to an interest rate of WSJ prime plus 2.5% and assigned the guarantee of reimbursement from New York State through the Restore program in the amount of \$525,000 as collateral.

The demolition was completed in July 2008 and reimbursement applied for from ESDC in September 2008. To date, the city has drawn down \$300,000 of the \$525,000 authorized. Repayment in full is expected by the end of November 2008.

The \$525,000 loan enabled the \$601,475 project to go forward which met the BLDC mission of building commercial capacity by removing an unused blighted structure from a prime commercial location and the strategic focus of revitalizing the downtown commercial core.

Additional Activities

Business Visitation Program

In 2008, 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.

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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, 2008. 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 2008 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

For its fiscal year July 1, 2007 to June 30, 2008, the BLDC again served as the grant administrator for the Broome County Empire Zone. The BLDC staff members also contributed in-kind services to the Broome County Empire Zone, which is funded by Empire State Development and member municipalities.

New York State's Empire Zones Program was created to stimulate economic growth through a variety of State tax incentives designed to attract new businesses to New York State and to enable existing businesses to expand and create more jobs. There are currently 118 Empire Zone certified businesses within the City of Binghamton.

The Broome County Empire Zone, a regional partner in economic development, continues to assist the BLDC in raising interest and leveraging private investment in the City. In 2008, the Broome Zone, through its Statewide Zone Capital Corporation loan program, provided financial assistance to two Empire Zone certified businesses/projects within the City. They were the Kilmer Brasserie and Coughlin and Gerhart, LLP. Each of these businesses played and continues to play key roles in the rehabilitation and revitalization of two prominent buildings within downtown, the Kilmer Building and the Press Building.

Broome Enterprise Triad

In 2008, the BLDC again was 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 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. There were 20 graduates of the Fall session.

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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, July Fest, Pirohi Festival and for the first time sponsored the Parlor City 5K road race to coincide with July Fest.

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**



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

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

Principals:
Janeen F. Sutryk, CPA*

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**Also Licensed in Maryland

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

Also Member of:
National 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, 2008, 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, 2008, 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, 2007, 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 December 1, 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
December 1, 2008

BINGHAMTON LOCAL DEVELOPMENT CORPORATION
STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2008
WITH COMPARATIVE TOTALS FOR 2007

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	<u>2008</u>	<u>2007</u>
Current Assets				
Cash and Cash Equivalents	\$ 22,968	\$ 1,193,366	\$ 1,216,334	\$ 1,652,327
Current Portion of Loans Receivable	<u>-</u>	<u>474,065</u>	<u>474,065</u>	<u>324,370</u>
Total Current Assets	22,968	1,667,431	1,690,399	1,976,697
Loans Receivable, Net of Current Portion Less Allowance for Uncollectibles of \$254,000 in 2008 and 2007				
		1,031,509	1,031,509	1,087,344
Land		<u>68,000</u>	<u>68,000</u>	<u>68,000</u>
TOTAL ASSETS	\$ 22,968	\$ 2,766,940	\$ 2,789,908	\$ 3,132,041
Current Liabilities:				
Accounts Payable	\$ 14,309	\$ 47,200	\$ 61,509	\$ 297,595
Total Liabilities	<u>14,309</u>	<u>47,200</u>	<u>61,509</u>	<u>297,595</u>
Net Assets:				
Unrestricted	8,659	-	8,659	7,154
Temporarily Restricted		<u>2,719,740</u>	<u>2,719,740</u>	<u>2,827,292</u>
Total Net Assets	<u>8,659</u>	<u>2,719,740</u>	<u>2,728,399</u>	<u>2,834,446</u>
TOTAL LIABILITIES AND NET ASSETS	\$ 22,968	\$ 2,766,940	\$ 2,789,908	\$ 3,132,041

See the accompanying notes to financial statements.

BINGHAMTON LOCAL DEVELOPMENT CORPORATION
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2008
WITH COMPARATIVE TOTALS FOR 2007

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2008</u>	<u>2007</u>
Support and Revenue				
Donations	\$ 5,700	\$ 9,636	\$ 15,336	\$ 6,515
City of Binghamton Grant				
UDAG Repayments		81,080	81,080	100,634
Interest Income				
CDBG Loan Interest		46,427	46,427	50,985
UDAG Loan Interest	-	26,826	26,826	9,743
Other Interest Income	24	4,188	4,212	5,638
Total Interest Income	24	77,441	77,465	66,366
Other Grants				
Broome Triad Income	65,197		65,197	87,640
Empire Zone	47,599		47,599	32,416
Other Revenue				
Application, Closing and Administrative Fees	550	2,438	2,988	3,674
Other Income	-	-	-	951
Penalties Collected		695	695	862
Total Other Grants and Revenue	113,346	3,133	116,479	125,543
Net Assets Released From Restrictions	278,842	(278,842)		
Total Support and Other Revenue	397,912	(107,552)	290,360	299,058
Expenditures				
City of Binghamton Grant - Section 108 Loan Payment - Community Development Block Grant				17,829
Facilities, Personnel, Materials and Supplies - Community Development Block Grant	265,539		265,539	279,767
Empire Zone Program Expenses	47,267		47,267	32,416
Broome Triad Expense	64,545		64,545	87,640
Downtown Binghamton Wireless	10,000		10,000	-
Promotional Expense	4,845		4,845	4,790
Miscellaneous	4,211		4,211	1,557
Total Expenditures	396,407		396,407	423,999
Change in Net Assets	1,505	(107,552)	(106,047)	(124,941)
Net Assets - Beginning	7,154	2,827,292	2,834,446	2,959,387
Net Assets - Ending	\$ 8,659	\$ 2,719,740	\$ 2,728,399	\$ 2,834,446

See the accompanying notes to financial statements.

BINGHAMTON LOCAL DEVELOPMENT CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2008 AND 2007

	<u>2008</u>	<u>2007</u>
Cash Flows from Operating Activities:		
Change in Net Assets	\$ (106,047)	\$ (124,941)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By (Used In) Operating Activities:		
Changes in Operating Assets and Liabilities:		
Accounts Payable	<u>(236,086)</u>	<u>294,506</u>
Net Cash Provided By (Used In) Operating Activities	<u>(342,133)</u>	<u>169,565</u>
Cash Flows From Investing Activities:		
Principal Repayments on Loans Receivable	396,423	360,494
Loans Funded	<u>(490,283)</u>	<u>(461,413)</u>
Net Cash Provided By (Used In) Investing Activities	<u>(93,860)</u>	<u>(100,919)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(435,993)	68,646
Cash and Cash Equivalents at Beginning of Year	<u>1,652,327</u>	<u>1,583,681</u>
Cash and Cash Equivalents at End of Year	<u>\$ 1,216,334</u>	<u>\$ 1,652,327</u>

See the accompanying notes to financial statements.