



Meeting Agenda – Audit and Finance Committee
 Genesee County Economic Development Center
 Tuesday, October 3, 2023 – 8:30 a.m.
 Location: 99 MedTech Drive, Innovation Zone

Page #	Topic	Discussion Leader	Desired Outcome
	1. Call to Order – Enter Public Session	K. Manne	
2-4	2. Chairman’s Report & Activities 2a. Agenda Additions / Other Business 2b. Minutes: September 5, 2023	K. Manne	Vote
5-8	3. Discussions / Official Recommendations to the Board: 3a. August 2023 Financial Statements	L. Farrell	Disc / Vote
9	3b. GCEDC 1+3 Budget	L. Farrell	Disc / Vote
	3c. Auditor Selection	L. Farrell	Discussion
	3d. Insurance Renewal	L. Farrell	Discussion
10-11	3e. Land Lease Rates	M. Masse	Disc / Vote
	4. Adjournment	K. Manning	Vote



GCEDC Audit & Finance Committee Meeting
Tuesday, September 5, 2023
Location: 99 MedTech Drive, Innovation Zone
8:30 a.m.

MINUTES

ATTENDANCE

Committee Members: P. Battaglia, M. Gray, P. Zeliff, K. Manne
Staff: L. Farrell, M. Masse, J. Krencik, S. Hyde, P. Kennett, L. Casey
Guests: J. Tretter (GGLDC Board Member), M. Brooks (GGLDC Board Member)
Absent:

1. CALL TO ORDER / ENTER PUBLIC SESSION

P. Battaglia called the meeting to order at 8:33 a.m. in the Innovation Zone.

2. Chairman's Report & Activities

2a. Agenda Additions / Other Business – Nothing at this time.

2b. Minutes: August 1, 2023

P. Zeliff made a motion to approve the August 1, 2023 minutes; the motion was seconded by P. Battaglia. Roll call resulted as follows:

P. Battaglia - Yes
M. Gray - Yes
P. Zeliff - Yes
K. Manne - Yes

The item was approved as presented.

3. DISCUSSIONS / OFFICIAL RECOMMENDATIONS OF THE COMMITTEE:

3a. July 2023 Financial Statements- L. Farrell reviewed with the Committee the significant items of the July 2023 long form financial statements.

- Grants receivable increased under the STAMP Fund. Expenses were paid using our own funds. We are reimbursing ourselves with ESD grant funds.
- On the balance sheet, accounts receivable decreased. We received the quarterly payments from the GGLDC for the MedTech Centre Property Management Fee and Economic Development Support Grant.
- In the operating fund, we did not close on any projects.
- There is bank interest to note in the operating fund. We renewed CDs with Bank of Castile and transferred some funds to Five Star Bank and placed them into a CD.

- We should be at 58% of budget. Operating expenses that are over budget are related to expenditures that are front loaded (i.e. HSA contributions, Dues & Subscriptions). General Liability Insurance and umbrella insurance are also known to be over budget and approved by the Board. Otherwise, most line items are within budget.
- In the other funds, CD bank interest should be noted.
- Other than the above-mentioned items, there is normal monthly activity on the income statements for all funds for July.

P. Battaglia made a motion to recommend to the full Board the approval of the July 2023 Financial Statements as presented; the motion was seconded by P. Zeliff. Roll call resulted as follows:

- P. Battaglia - Yes
- M. Gray - Yes
- P. Zeliff - Yes
- K. Manne - Yes

The item was approved as presented.

3b. 2024 GCEDC Budget – At the last Committee meeting, L. Farrell reviewed the budget worksheets and first draft of the budget in detail along with 2023 projections. L. Farrell reviewed the changes, which were highlighted in yellow, that have been made since the budget was last presented.

Changes in the projected 2023 numbers include:

- 1) An increase in origination fees because we closed on the Forefront Power project.
- 2) A re-calculation of land sale proceeds for Apple Tree Acres and Edwards Vacuum.

Changes in the actual budget include:

- 1) A re-calculation of fees for services. The 2024 number is based on 2023 projected rent revenue for MedTech Centre. Rent revenue for Oak Grove Construction was adjusted for the expiration date.
- 2) Interest Income increased significantly.

There is a plug of appropriated fund balance. The cash that we have in the bank from previous origination fees, mostly the Plug Power fee, is extended over multiple years to cover operating budget gaps.

The Committee asked several questions related to the budget worksheets, but the discussion did not elicit any additional changes.

P. Battaglia made a motion to recommend to the full Board the approval of the 2024 GCEDC Budget as presented; the motion was seconded by P. Zeliff. Roll call resulted as follows:

- P. Battaglia - Yes
- M. Gray - Yes
- P. Zeliff - Yes
- K. Manne - Yes

The item was approved as presented.

3c. Local Labor Monitoring & Reporting Proposal - Loewke Brill Consulting Group, Inc. has been the GCEDC's consultant who assists with the monitoring and reporting of a company's compliance with the local labor policy. The Board revised its policy to require that companies provide the GCEDC with a deposit that will cover the costs of these services. Any amount not utilized will be returned to the company.

The following fee is based on the company's project description and timeline as provided in the application for incentives.

Project: HP Hood

Fund Commitment: \$26,300 to be covered by deposit from HP Hood.

Committee Action Request: Recommend to the full Board approval of the contract with Loewke Brill contingent upon receipt of the deposit from the project.

P. Battaglia made a motion to recommend to the full Board the approval of the Loewke Brill Contract for the HP Hood Project as presented; the motion was seconded by P. Zelif. Roll call resulted as follows:

P. Battaglia - Yes
M. Gray - Yes
P. Zelif - Yes
K. Manne - Yes

The item was approved as presented.

4. ADJOURNMENT

As there was no further business, P. Zelif made a motion to adjourn at 8:48 a.m., seconded by P. Battaglia and passed unanimously.

**Genesee County Economic Development Center
August 2023 Dashboard
Balance Sheet - Accrual Basis**

	<u>8/31/23</u>	<u>7/31/23</u>	[Per Audit] <u>12/31/22</u>
ASSETS:			
Cash - Unrestricted	\$ 6,406,435	\$ 6,184,393	\$ 6,428,049
Cash - Restricted (A)(1)	8,779,717	8,220,915	8,955,862
Cash - Reserved (B)(2)	672	810,225	797,149
Cash - Subtotal	15,186,824	15,215,533	16,181,060
Grants Receivable (3)	65,869	82,582	67,663
Accounts Receivable (4)	68,296	36,182	105,672
Deposits	2,832	2,832	2,832
Prepaid Expense(s) (5)	31,998	36,225	25,691
Loans Receivable - Current	56,299	56,252	54,539
Total Current Assets	15,412,118	15,429,606	16,437,457
Land Held for Dev. & Resale (6)	23,396,210	23,237,665	22,615,924
Furniture, Fixtures & Equipment	71,257	71,257	71,257
Total Property, Plant & Equip.	23,467,467	23,308,922	22,687,181
Less Accumulated Depreciation	(69,620)	(69,565)	(69,183)
Net Property, Plant & Equip.	23,397,847	23,239,357	22,617,998
Loans Receivable- Non-current (Net of \$47,429 Allow. for Bad Debt)	99,211	104,083	138,073
Right to Use Assets, Net of Accumulated Amortization	30,078	30,078	30,078
Net Pension Asset (11)	200,580	200,580	200,580
Other Assets	329,869	334,741	368,731
TOTAL ASSETS	39,139,834	39,003,704	39,424,186
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Outflows (11)	416,930	416,930	416,930
Deferred Outflows of Resources	416,930	416,930	416,930
LIABILITIES:			
Accounts Payable (7)	31,144	24,714	218,950
Loan Payable - Genesee County - Current (8)	315,000	315,000	305,000
Accrued Expenses	38,566	30,894	30,879
Lease Payable - Current	12,167	12,167	12,167
Unearned Revenue (9)	7,900,717	7,921,170	8,533,938
Total Current Liabilities	8,297,594	8,303,945	9,100,934
Loans Payable - ESD (10)	5,196,487	5,196,487	5,196,487
Loan Payable - Genesee County - Noncurrent (8)	2,510,000	2,510,000	2,825,000
Lease Payable - Noncurrent	17,911	17,911	17,911
Total Noncurrent Liabilities	7,724,398	7,724,398	8,039,398
TOTAL LIABILITIES	16,021,992	16,028,343	17,140,332
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Inflows (11)	712,344	712,344	712,344
Deferred Inflows of Resources	712,344	712,344	712,344
NET ASSETS	\$ 22,822,428	\$ 22,679,947	21,988,440

Significant Events:

1. Restricted Cash - Includes cash deposited by ESD into imprest accounts related to the \$8M and \$33M STAMP grants. Expenditures out of these accounts are pre-authorized by ESD.
2. Reserved Cash - RLF funds were used to cover STAMP expenses in August of 2023. \$564K was used to set up the STAMP Part 182 Permit Reserve and \$320K was used for the Keeler and 716 Contracts.
3. Grants Receivable - National Grid grants support marketing and development activities for STAMP and the LeRoy Food & Tech Park.
4. Accounts Receivable - Econ. Dev. Program Support Grant, MedTech Centre Property Management, etc.
5. Prepaid Expense(s) - Cyber, D&O, life, general liability, umbrella, workers compensation and short-term disability insurance, etc.
6. Land Held for Dev. & Resale - Additions are related to STAMP development costs.
7. Accounts Payable - e3communications and interest earned on imprest accounts that will be remitted to ESD.
8. Loan Payable - Genesee County (Current & Noncurrent) - Per a Water Supply Agreement with Genesee County, the County remitted \$4M to the GCEDC to put towards water improvements located in the Town of Alabama and the Town of Pembroke and other Phase II improvements as identified by the County. GCEDC started making annual payments to the County of \$448,500 beginning in January 2020.
9. Unearned Revenue - Interest received in advance; Genesee County contribution received in advance; Funds received from municipalities to support park development; Funds received to support workforce development; ESD Grant funds to support STAMP development, not actually earned until eligible expenditures are incurred.
10. Loans Payable - ESD - Loans from ESD to support STAMP land acquisition and related soft costs.
11. Net Pension Asset / Deferred Pension Outflows / Deferred Pension Inflows - Accounts related to implementation of GASB 68.

(A) Restricted Cash = GAIN! Loan Funds, Municipal Funds, Grant Funds Received in Advance,

(B) Reserved Cash = RLF #1 Funds (defederalized).

**Genesee County Economic Development Center
August 2023 Dashboard
Profit & Loss - Accrual Basis**

	Month to Date		YTD		2023	2023
	8/31/23	8/31/22	2023	2022	Board Appr. <u>Budget</u>	YTD % <u>of Budget</u>
<u>Operating Revenues:</u>						
Genesee County	\$ 19,459	\$ 19,459	\$ 155,673	\$ 155,674	\$ 233,513	67%
Genesee County - WFD	2,083	2,083	16,665	16,666	25,000	67%
Fees - Projects	165,840	38,750	330,778	381,593	487,000	68%
Fees - Services	7,262	7,099	58,096	56,793	87,146	67%
Interest Income on Loans	175	223	1,511	1,895	2,170	70%
Rent	3,750	-	11,257	16,393	32,910	34%
Common Area Fees - Parks	-	-	391	373	380	103%
Grants (1)	3,738	589,370	1,143,905	3,895,475	4,600,459	25%
GGLDC Grant- Econ. Dev. Program Support	25,000	25,000	200,000	200,000	300,000	67%
GCFC Grant - Econ. Dev. Program Support	-	-	-	328,388	-	N/A
Land Sale Proceeds	-	-	-	67,500	-	N/A
BP ² Revenue	-	5,065	7,503	8,597	52,819	14%
Other Revenue	-	137	5,271	1,262	5,000	105%
Total Operating Revenues	227,307	687,186	1,931,050	5,130,609	5,826,397	33%
<u>Operating Expenses</u>						
General & Admin	103,271	107,181	963,184	928,036	1,519,303	63%
Professional Services	4,827	8,210	54,900	49,726	206,620	27%
Site Maintenance/Repairs	447	894	3,130	3,577	38,000	8%
Property Taxes/Special District Fees	-	-	5,275	3,518	3,030	174%
BP ² Expense	-	-	-	-	17,244	0%
PIF Expense	-	-	48,162	43,296	151,906	32%
Site Development Expense (2)	-	4,097	165,828	2,375,234	3,529,659	5%
Cost of Land Sales	-	-	-	5,775	-	N/A
Real Estate Development (3)	158,546	797,080	780,288	1,824,668	613,841	127%
Balance Sheet Absorption	(158,546)	(797,080)	(780,288)	(1,824,668)	-	N/A
Total Operating Expenses	108,545	120,382	1,240,479	3,409,162	6,079,603	20%
Operating Revenue (Expense)	118,762	566,804	690,571	1,721,447	(253,206)	
<u>Non-Operating Revenue</u>						
Other Interest Income (4)	23,719	1,753	143,417	10,261	5,900	2431%
Total Non-Operating Revenue	23,719	1,753	143,417	10,261	5,900	2431%
Change in Net Assets	142,481	568,557	833,988	1,731,708	\$ (247,306)	
Net Assets - Beginning	22,679,947	20,746,646	21,988,440	19,583,495		
Net Assets - Ending	\$ 22,822,428	\$ 21,315,203	\$ 22,822,428	\$ 21,315,203		

Significant Events:

1. Grants - PIF from RJ Properties (Liberty Pumps) supports Apple Tree Acres Infrastructure improvements; PIF from Yancey's Fancy supports Infrastructure Fund Agreement with the Town of Pembroke; \$448K Community Benefit Agreement payment dedicated to STAMP by sourcing debt service payments to the County; National Grid grant supports marketing and development activities for STAMP; ESD \$33M & \$8M Grants support STAMP engineering, environmental, legal, infrastructure, etc.
2. Site Development Expense - Installation of, or improvements to, infrastructure that is not owned by the GCEDC, or will be dedicated to a municipality in the foreseeable future, is recorded as site development expense when costs are incurred.
3. Real Estate Development Costs - Includes STAMP development costs.
4. Other Interest Income - Interest rates have increased substantially; invested funds into a 3-month CD for additional interest income.

Genesee County Economic Development Center
August 2023 Dashboard
Statement of Cash Flows

	August 2023	YTD
CASH FLOWS USED BY OPERATING ACTIVITIES:		
Genesee County	\$ 21,542	\$ 193,880
Fees - Projects	165,840	308,278
Fees - Services	-	64,870
Interest Income on Loans	173	1,419
Rent	3,750	19,506
Common Area Fees - Parks	-	391
Grants	-	513,528
BP ² Revenue	-	7,503
GGLDC Grant - Economic Development Program Support	-	225,000
Other Revenue	-	5,271
Repayment of Loans	4,825	37,102
General & Admin Expense	(91,136)	(965,111)
Professional Services	(4,827)	(69,440)
Site Maintenance/Repairs	(447)	(2,683)
Site Development	-	(271,765)
Property Taxes/Special District Fees	-	(5,275)
PIF Expense	-	(48,162)
Improv/Additions/Adj to Land Held for Development & Resale	(158,545)	(863,223)
Net Cash Used By Operating Activities	(58,825)	(848,911)
CASH FLOWS USED BY NONCAPITAL FINANCING ACTIVITIES:		
Principal Payments on Loan	-	(305,000)
Net Cash Used By Noncapital Financing Activities	-	(305,000)
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES:		
Interest Income (Net of Remittance to ESD)	30,116	159,675
Net Change in Cash	(28,709)	(994,236)
Cash - Beginning of Period	15,215,533	16,181,060
Cash - End of Period	\$ 15,186,824	\$ 15,186,824
RECONCILIATION OF NET OPERATING REVENUE TO NET CASH USED BY OPERATING ACTIVITIES:		
Operating Revenue	\$ 118,762	\$ 690,571
Depreciation Expense	55	437
Decrease (Increase) in Operating Accounts/Grants Receivable	(15,401)	39,170
Decrease (Increase) in Prepaid Expenses	4,227	(6,307)
Decrease in Loans Receivable	4,825	37,102
Increase in Land Held for Development & Resale	(158,545)	(780,286)
Increase (Decrease) in Operating Accounts Payable	33	(204,064)
Increase in Accrued Expenses	7,672	7,687
Decrease in Unearned Revenue	(20,453)	(633,221)
Total Adjustments	(177,587)	(1,539,482)
Net Cash Used By Operating Activities	\$ (58,825)	\$ (848,911)

4 Year Budget 2024 - 2027

GCEDC Consolidated

Board Approved:



	2023 Projection	2024 Budget	2025 Budget	2026 Budget	2027 Budget
1 Revenues					
2 Genesee County Contributions	\$258,513	\$258,513	\$258,513	\$258,513	\$258,513
3 Fees - Project Origination	\$1,497,179	\$488,000	\$501,560	\$515,527	\$527,913
4 Fees - Service	\$87,146	\$88,168	\$90,813	\$93,537	\$96,344
5 Bank Interest Income	\$181,986	\$128,000	\$131,840	\$135,795	\$139,869
6 Interest Income on Loans	\$2,169	\$1,590	\$1,638	\$1,687	\$1,737
7 Rent Income	\$31,889	\$28,809	\$29,673	\$30,563	\$31,480
8 CAM Income	\$391	\$410	\$422	\$435	\$448
9 Miscellaneous	\$10,658	\$5,800	\$5,974	\$6,153	\$6,338
10 Economic Development Grant (GGLDC / GCFC)	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
11 PIF Grant Income	\$129,260	\$156,294	\$194,611	\$188,978	\$178,554
12 CBA	\$448,553	\$448,553	\$448,553	\$448,553	\$448,553
13 BP2 Income	\$49,099	\$70,864	\$78,014	\$84,232	\$92,819
14 Grants	\$4,476,010	\$8,500,000	\$0	\$0	\$0
15 Land Sales	\$6,100,000	\$0	\$0	\$0	\$0
17 Total Revenues	\$13,572,853	\$10,475,001	\$2,041,611	\$2,063,974	\$2,082,568
19 Expenses					
20 Payroll	\$890,000	\$983,000	\$1,012,490	\$1,042,865	\$1,074,151
21 Benefits	\$253,785	\$292,830	\$300,796	\$309,001	\$317,452
22 Insurance	\$77,661	\$79,635	\$82,024	\$84,485	\$87,019
23 Utilities	\$10,000	\$10,000	\$10,300	\$10,609	\$10,927
24 Depreciation	\$655	\$655	\$655	\$655	\$655
25 Telecom / Internet / Phone	\$7,510	\$8,000	\$8,240	\$8,487	\$8,742
26 Rent	\$19,333	\$20,300	\$20,909	\$21,536	\$22,182
27 Postage	\$1,350	\$1,500	\$1,545	\$1,591	\$1,639
28 Dues & Subscriptions	\$96,000	\$98,000	\$100,940	\$103,968	\$107,087
29 Conferences & Meetings	\$35,835	\$34,000	\$35,020	\$36,071	\$37,153
30 Professional Services	\$141,272	\$172,770	\$100,425	\$103,438	\$106,541
31 Travel	\$35,000	\$35,000	\$36,050	\$37,132	\$38,245
32 Marketing	\$114,000	\$90,000	\$92,700	\$95,481	\$98,345
33 Supplies	\$4,000	\$4,000	\$4,120	\$4,244	\$4,371
34 Maintenance & Repair	\$38,300	\$38,500	\$39,655	\$40,845	\$42,070
35 Site Development	\$1,092,363	\$0	\$0	\$0	\$0
36 Miscellaneous	\$800	\$800	\$824	\$849	\$874
37 Furniture & Equipment	\$15,000	\$15,000	\$15,450	\$15,914	\$16,391
38 CEO's Discretionary Fund	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000
39 Fees	\$188,957	\$250	\$0	\$0	\$0
40 Special District Fees	\$5,275	\$5,615	\$5,783	\$5,957	\$6,136
41 Interest Expense / Unused Fee	\$143,500	\$133,500	\$123,500	\$113,500	\$98,500
42 Closing Costs / Cost of Sales	\$1,296,059	\$0	\$0	\$0	\$0
43 Sales Partner Fees	\$0	\$0	\$0	\$0	\$0
44 Development Costs STAMP	\$0	\$0	\$0	\$0	\$0
45 BP2 Expense	\$17,244	\$31,432	\$31,432	\$31,432	\$34,146
46 Grant Expense	\$0	\$8,500,000	\$0	\$0	\$0
47 PIF Expense	\$129,260	\$156,294	\$194,611	\$188,978	\$178,554
48 Total Expenses	\$4,616,159	\$10,714,081	\$2,220,469	\$2,260,036	\$2,294,181
50 Net Profit / Loss	\$8,956,694	(\$239,080)	(\$178,858)	(\$196,062)	(\$211,613)
52 Cash from Prev. Yr Rev. Collected in Current Yr	\$0	\$0	\$0	\$0	\$0
53 Appropriated Fund Balance	\$0	\$426,954	\$0	\$0	\$0
54 2018 J-Rental Land Sale - Cash Carry Over Allocat	\$0	\$139,945	\$0	\$0	\$0
55 NET Profit / Loss w/ Cash Adjustments	\$8,956,694	\$327,819	(\$178,858)	(\$196,062)	(\$211,613)

Notes:

* 3% increase for most line items 2025-2027, unless shaded.

Mark Masse
GCEDC Audit & Finance Committee

Agricultural Farm Land Lease Agreement for 2024

Discussion: See attached lease agreement and lessors.

Fund commitment: None.

Committee action request: Recommend approval to the full Board of the 2024 agricultural land lease agreement.

2024 Land Lease Rates
Agricultural leases

Genesee County Economic Development Center

Lessee	Location	Term	Rate / acre
Charles Augello	AppleTree Acres	One year	\$ 70.00
Stein Farms	Oatka Hills	One year	\$ 70.00
Englerth Farms	Leroy	One year	\$ 70.00
Norm Geiss	STAMP	One year	\$ 70.00
Lamb Farms	STAMP	One year	\$ 75.00
Lamb Farms	STAMP	One year	\$ 3.98