



**Meeting Agenda – Audit and Finance Committee**  
 Genesee County Economic Development Center  
 Tuesday, June 27, 2023 – 8:30 a.m.  
 Location: 99 MedTech Drive, Innovation Zone

Page #	Topic	Discussion Leader	Desired Outcome
	1. Call To Order – Enter Public Session	M. Gray	
	<b>Presentation</b> – Cyber Insurance	Lawley / L. Farrell	Discussion
	1a. Executive Session Motion to enter executive session under the Public Officers Law, Article 7, Open Meetings Law Section 105 for the following reasons: 1. The medical, financial, credit or employment history of a particular person or corporation, or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation. 1b. Enter Public Session	M. Gray	
2-5	<b>2. Chairman’s Report &amp; Activities</b> 2a. Agenda Additions / Other Business 2b. Minutes: May 30, 2023	M. Gray	Vote
6-9	<b>3. Discussions / Official Recommendations to the Board:</b> 3a. May 2023 Financial Statements	L. Farrell	Disc / Vote
10-16	3b. Assessment of the Effectiveness of Internal Controls	L. Farrell	Disc / Vote
17	3c. Key Bank Line of Credit Renewal	L. Farrell / M. Masse	Disc / Vote
18-25	3d. Cyber Insurance	L. Farrell	Disc / Vote
	<b>4. Adjournment</b>	M. Gray	Vote



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

**MINUTES**

**ATTENDANCE**

Committee Members: P. Zeliff, P. Battaglia, T. Bender  
Staff: L. Farrell, M. Masse, P. Kennett, S. Hyde, C. Suozzi, L. Casey, J. Krencik  
Guests: M. Zimmerman (Harrison Studios/Video Conference), M. Brooks (GGLDC Board Member)  
Absent: M. Gray

**1. CALL TO ORDER / ENTER PUBLIC SESSION**

P. Battaglia called the meeting to order at 8:48 a.m. in the Innovation Zone.

P. Battaglia welcomed Mark Brooks to the meeting. Mark Brooks was appointed to the GGLDC Board of Directors, assuming the remainder of T. Felton's term ending 6/30/25.

**1a. Enter Executive Session**

P. Zeliff made a motion to enter executive session under the Public Officers Law, Article 7, Open Meetings Law Section 105, at 8:49 a.m. for the following reasons:

1. The medical, financial, credit or employment history of a particular person or corporation, or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation.

The motion was seconded by T. Bender and approved by all members present.

**1b. Enter Public Session**

P. Zeliff made a motion to enter back into public session at 9:03 a.m., seconded by T. Bender and approved by all members present.

**Presentation – Cyber Insurance** – Representatives from Lawley originally planned to attend the meeting to discuss Cyber Insurance; however, quotes were not received timely. Three companies declined to provide a quote, stating that they are not in the market for this class of business. Lawley still anticipates receiving two quotes, including one from Travelers as well as another company. Quotes will be available for review at the next Board meeting for the July 1<sup>st</sup> renewal date.

**2. Chairman's Report & Activities**

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

**2b. Minutes: May 2, 2023** –

**P. Zelif made a motion to approve the May 2, 2023 minutes; the motion was seconded by T. Bender. Roll call resulted as follows:**

- P. Battaglia - Yes
- M. Gray - Absent
- T. Bender - Yes
- P. Zelif - Yes

**The item was approved as presented.**

**3. DISCUSSIONS / OFFICIAL RECOMMENDATIONS OF THE COMMITTEE:**

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

- There are not many significant changes on the balance sheet.
- In the operating fund, on line 3, we received an origination fee of \$7,500 from Apple Tree Acres, LLC.
- We should be at 33% 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 Revolving Loan fund, bank interest exceeds the amount budgeted/anticipated for the year.
- In the Real Estate Development fund, we received land lease rent income and bank interest exceeds the amount budgeted/anticipated for the year.
- Bank interest rates are much higher than anticipated. \$4M has been moved from Five Star Bank to Tompkins Community Bank. These funds that were transferred to Tompkins have been placed in a 3-month Certificate of Deposit at 4.65%.
- There is little activity in the STAMP fund for April because no GURFS were submitted to ESD during this time.
- S. Hyde stated that an application has been submitted for the FAST NY grant. Grant funds would be used to build capacity at STAMP for the Edwards project and potential future projects.

**P. Zelif made a motion to recommend to the full Board the approval of the April 2023 statements as presented; the motion was seconded by T. Bender. Roll call resulted as follows:**

- P. Battaglia - Yes
- M. Gray - Absent
- T. Bender - Yes
- P. Zelif - Yes

**The item was approved as presented.**

**3b. Audit & Finance Committee Charter-** The Committee discussed the Charter in executive session during a Committee self-evaluation discussion. On page 10 of the meeting materials, under *Composition of Committee and Selection of Members*, a change was recommended, if allowable. In the sentence "The

audit and finance committee shall have access to the services of at least one financial expert; whose name shall be disclosed in the annual report of the GCEDC”, the Committee recommends striking/removing “whose name shall be disclosed in the annual report of the GCEDC”

L. Farrell will advise if this change is allowable.

**P. Zeliff made a motion to recommend to the full Board the approval of the Audit & Finance Committee Charter with the above-mentioned change, if allowable; the motion was seconded by T. Bender. Roll call resulted as follows:**

P. Battaglia - Yes  
M. Gray - Absent  
T. Bender - Yes  
P. Zeliff - Yes

**3c. Committee Self-Evaluation** – The Committee Self-Evaluation was discussed during Executive Session. A new memo will be drafted and provided to the Governance Committee as the Committee Self-Evaluation comes out of the Committee Charter Review. The Committee recommends the following changes to the Self-Evaluation Report:

- 1) Amendment of the language “The Committee recognized adequacy with the Charter...” to “The Committee is fulfilling the Charter...”
- 2) The financial expert will be changed from Nicole Ryan of Freed Maxick to Laura Landers of Laura Landers, LLC.

No vote was taken.

**3d. New York Loves Nano Semicon West Sponsorship** - With the support of National Grid, the GCEDC is joining our partners in the New York Loves Nano delegation at the 2023 Semicon West semiconductor industry conference in San Francisco July 11-13. The GCEDC participates in this conference annually, enabling our sales and marketing team to advance business leads including Edwards in past years.

The GCEDC previously sponsored the delegation’s conference floor booth and reception in 2022 in partnership with Greater Rochester Enterprise and Invest Buffalo Niagara. This enabled the GCEDC to receive the benefits of a Gold Sponsorship (\$10,000) at the cost of a Silver Sponsorship (\$5,000). These include prominent booth imagery space, conference registration, and sponsorship of both a conference booth and the New York Loves Nano reception.

The New York Loves Nano delegation is coordinated by the New York State Economic Development Council.

This expenditure was anticipated in the 2023 Marketing budget and this expenditure is at the same level as in 2022.

**P. Zeliff made a motion to recommend to the full Board the approval of the Semicon West Sponsorship not to exceed \$5,000 as presented; the motion was seconded by T. Bender. Roll call resulted as follows:**

P. Battaglia - Yes  
M. Gray - Absent  
T. Bender - Yes  
P. Zeliff - Yes

**4. ADJOURNMENT**

As there was no further business, P. Battaglia made a motion to adjourn at 8:45 a.m., seconded by P. Zeliff and passed unanimously.

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

DRAFT

	<u>5/31/23</u>	<u>4/30/23</u>	[Per Audit] <u>12/31/22</u>
<b>ASSETS:</b>			
Cash - Unrestricted	\$ 6,189,444	\$ 6,344,897	\$ 6,428,049
Cash - Restricted (A)(1)	8,312,491	8,734,739	8,955,862
Cash - Reserved (B)	803,806	803,230	797,149
Cash - Subtotal	15,305,741	15,882,866	16,181,060
Grants Receivable (2)	60,119	57,394	67,663
Accounts Receivable (3)	66,293	33,819	105,672
Deposits	2,832	2,832	2,832
Prepaid Expense(s) (4)	50,407	57,645	25,691
Loans Receivable - Current	57,688	56,112	54,539
<b>Total Current Assets</b>	<b>15,543,080</b>	<b>16,090,668</b>	<b>16,437,457</b>
Land Held for Dev. & Resale (5)	23,103,659	22,680,817	22,615,924
Furniture, Fixtures & Equipment	71,257	71,257	71,257
Total Property, Plant & Equip.	23,174,916	22,752,074	22,687,181
Less Accumulated Depreciation	(69,456)	(69,402)	(69,183)
<b>Net Property, Plant &amp; Equip.</b>	<b>23,105,460</b>	<b>22,682,672</b>	<b>22,617,998</b>
Loans Receivable- Non-current (Net of \$47,429 Allow. for Bad Debt)	113,815	118,675	138,073
Right to Use Assets, Net of Accumulated Amortization	30,078	30,078	30,078
Net Pension Asset (10)	200,580	200,580	200,580
<b>Other Assets</b>	<b>344,473</b>	<b>349,333</b>	<b>368,731</b>
<b>TOTAL ASSETS</b>	<b>38,993,013</b>	<b>39,122,673</b>	<b>39,424,186</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Pension Outflows (10)	416,930	416,930	416,930
<b>Deferred Outflows of Resources</b>	<b>416,930</b>	<b>416,930</b>	<b>416,930</b>
<b>LIABILITIES:</b>			
Accounts Payable (6)	12,509	23,958	218,950
Loan Payable - Genesee County - Current (7)	315,000	315,000	305,000
Accrued Expenses	18,145	7,851	30,879
Lease Payable - Current	12,167	12,167	12,167
Unearned Revenue (8)	8,038,466	8,458,740	8,533,938
<b>Total Current Liabilities</b>	<b>8,396,287</b>	<b>8,817,716</b>	<b>9,100,934</b>
Loans Payable - ESD (9)	5,196,487	5,196,487	5,196,487
Loan Payable - Genesee County - Noncurrent (7)	2,510,000	2,510,000	2,825,000
Lease Payable - Noncurrent	17,911	17,911	17,911
<b>Total Noncurrent Liabilities</b>	<b>7,724,398</b>	<b>7,724,398</b>	<b>8,039,398</b>
<b>TOTAL LIABILITIES</b>	<b>16,120,685</b>	<b>16,542,114</b>	<b>17,140,332</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Pension Inflows (10)	712,344	712,344	712,344
<b>Deferred Inflows of Resources</b>	<b>712,344</b>	<b>712,344</b>	<b>712,344</b>
<b>NET ASSETS</b>	<b>\$ 22,576,914</b>	<b>\$ 22,285,145</b>	<b>21,988,440</b>

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. Grants Receivable - National Grid grants support marketing and development activities for STAMP and the LeRoy Food & Tech Park.
3. Accounts Receivable - Econ. Dev. Program Support Grant, MedTech Centre Property Management, etc.
4. Prepaid Expense(s) - Cyber, D&O, life, general liability, umbrella, workers compensation and short-term disability insurance, etc.
5. Land Held for Dev. & Resale - Additions are related to STAMP development costs.
6. Accounts Payable - e3communications and interest earned on imprest accounts that will be remitted to ESD.
7. 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.
8. 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.
9. Loans Payable - ESD - Loans from ESD to support STAMP land acquisition and related soft costs.
10. 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  
May 2023 Dashboard  
Profit & Loss - Accrual Basis**

**DRAFT**

	Month to Date		YTD		2023	2023
	5/31/23	5/31/22	2023	2022	Board Appr.	YTD %
					<u>Budget</u>	<u>of Budget</u>
<b><u>Operating Revenues:</u></b>						
Genesee County	\$ 19,459	\$ 19,459	\$ 97,296	\$ 97,296	\$ 233,513	42%
Genesee County - WFD	2,083	2,084	10,416	10,417	25,000	42%
Fees - Projects	21,000	22,250	144,938	302,718	487,000	30%
Fees - Services	7,262	7,099	36,310	35,496	87,146	42%
Interest Income on Loans	187	235	974	1,214	2,170	45%
Rent	577	7,643	7,507	7,643	32,910	23%
Common Area Fees - Parks	-	-	391	373	380	103%
Grants (1)	422,948	1,943	1,000,360	3,083,229	4,600,459	22%
GGLDC Grant- Econ. Dev. Program Support	25,000	25,000	125,000	125,000	300,000	42%
BP <sup>2</sup> Revenue	-	-	-	3,532	52,819	0%
Other Revenue	598	233	5,246	557	5,000	105%
<b>Total Operating Revenues</b>	<b>499,114</b>	<b>85,946</b>	<b>1,428,438</b>	<b>3,667,475</b>	<b>5,826,397</b>	<b>25%</b>
<b><u>Operating Expenses</u></b>						
General & Admin	192,996	167,179	646,570	617,019	1,519,303	43%
Professional Services	16,568	7,510	37,593	35,507	206,620	18%
Site Maintenance/Repairs	894	447	2,236	2,236	38,000	6%
Property Taxes/Special District Fees	-	-	5,275	3,518	3,030	174%
BP <sup>2</sup> Expense	-	-	-	-	17,244	0%
PIF Expense	-	-	48,162	43,296	151,906	32%
Site Development Expense (2)	3,420	-	160,652	2,362,765	3,666,277	4%
Real Estate Development (3)	422,842	10,241	487,736	633,951	477,223	102%
Balance Sheet Absorption	(422,842)	(10,241)	(487,736)	(633,951)	-	N/A
<b>Total Operating Expenses</b>	<b>213,878</b>	<b>175,136</b>	<b>900,488</b>	<b>3,064,341</b>	<b>6,079,603</b>	<b>15%</b>
<b>Operating Revenue (Expense)</b>	<b>285,236</b>	<b>(89,190)</b>	<b>527,950</b>	<b>603,134</b>	<b>(253,206)</b>	
<b><u>Non-Operating Revenue</u></b>						
Other Interest Income (4)	6,533	1,000	60,524	5,096	5,900	1026%
<b>Total Non-Operating Revenue</b>	<b>6,533</b>	<b>1,000</b>	<b>60,524</b>	<b>5,096</b>	<b>5,900</b>	<b>1026%</b>
<b>Change in Net Assets</b>	<b>291,769</b>	<b>(88,190)</b>	<b>588,474</b>	<b>608,230</b>	<b>\$ (247,306)</b>	
<b>Net Assets - Beginning</b>	<b>22,285,145</b>	<b>20,279,915</b>	<b>21,988,440</b>	<b>19,583,495</b>		
<b>Net Assets - Ending</b>	<b>\$ 22,576,914</b>	<b>\$ 20,191,725</b>	<b>\$ 22,576,914</b>	<b>\$ 20,191,725</b>		

**Significant Events:**

1. Grants - PIF from RJ Properties (Liberty Pumps) supports Apple Tree Acres Infrastructure improvements (County/Town portion); PIF from Yancey's Fancy supports Infrastructure Fund Agreement with the Town of Pembroke (County/Town portion); \$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.



**Genesee County Economic Development Center**  
**May 2023 Dashboard**  
**Statement of Cash Flows**

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	May 2023	YTD
<b>CASH FLOWS USED BY OPERATING ACTIVITIES:</b>		
Genesee County	\$ 21,542	\$ 129,254
Fees - Projects	21,000	122,438
Fees - Services	-	43,084
Interest Income on Loans	136	836
<b>Rent</b>	577	15,756
Common Area Fees - Parks	-	391
Grants	-	513,528
GGLDC Grant - Economic Development Program Support	-	150,000
Other Revenue	598	5,246
Repayment of Loans	3,284	21,109
General & Admin Expense	(180,032)	(692,081)
Professional Services	(16,568)	(52,133)
Site Maintenance/Repairs	(894)	(2,236)
Site Development	(3,420)	(264,089)
Property Taxes/Special District Fees	-	(5,275)
PIF Expense	-	(48,162)
Improv/Additions/Adj to Land Held for Development & Resale	(422,842)	(570,672)
Net Cash Used By Operating Activities	(576,619)	(633,006)
<b>CASH FLOWS USED BY NONCAPITAL FINANCING ACTIVITIES:</b>		
Principal Payments on Loan	-	(305,000)
Net Cash Used By Noncapital Financing Activities	-	(305,000)
<b>CASH FLOWS PROVIDED BY INVESTING ACTIVITIES:</b>		
Interest Income (Net of Remittance to ESD)	(506)	62,687
Net Change in Cash	(577,125)	(875,319)
Cash - Beginning of Period	15,882,866	16,181,060
Cash - End of Period	\$ 15,305,741	\$ 15,305,741
<b>RECONCILIATION OF NET OPERATING REVENUE TO NET CASH USED BY OPERATING ACTIVITIES:</b>		
Operating Revenue	\$ 285,236	\$ 527,950
Depreciation Expense	54	273
Decrease (Increase) in Operating Accounts/Grants Receivable	(35,199)	46,923
Decrease (Increase) in Prepaid Expenses	7,238	(24,716)
Decrease in Loans Receivable	3,284	21,109
Increase in Land Held for Development & Resale	(422,842)	(487,735)
Decrease in Operating Accounts Payable	(4,410)	(208,604)
Increase (Decrease) in Accrued Expenses	10,294	(12,734)
Increase (Decrease) in Unearned Revenue	(420,274)	(495,472)
Total Adjustments	(861,855)	(1,160,956)
Net Cash Used By Operating Activities	\$ (576,619)	\$ (633,006)



## 2023 Assessment of the Effectiveness of Internal Controls

### Purpose of the Genesee County Industrial Development Agency D/B/A Genesee County Economic Development Center (GCEDC)

The GCEDC is a public benefit corporation of the State of New York created in 1970 by a resolution of the Genesee County Legislature to facilitate economic development in the County of Genesee, New York.

### Internal Controls

The accounting, financial reporting, and cash management functions are carried out relying on a multitude of internal controls. A Financial Procedures document details all aspects of the financial controls in place.

Examples of some of the controls used are listed below:

- Payroll for the GCEDC's employees is processed externally by a payroll processing company, Complete Payroll Processing, Inc. (CPP). The Operations Manager and/or CFO verify that payments are only made to employees that are entitled to be paid. – **Low risk.**
- All invoices must be reviewed and verified by the CFO, CEO or Sr. VP of Operations. All checks require two signatures, with one of the signatures being a board member. The CEO and the Sr. VP of Operations are the only two employees authorized to sign checks. The CFO opens and reviews all bank statements and bank reconciliations. – **Multiple persons signing off on the process and the CFO opens and reviews bank statements and does not have authorization to sign checks.**
- All checks received by the GCEDC are recorded and stamped "for deposit only" by the Operations Assistant or Finance Assistant and given to the Operations Manager for review. The Operations Manager ensures that all funds are coded correctly, and that each transaction is recorded in Peachtree (accounting software). Deposit slips are then prepared by the Finance Assistant and deposited in the bank. The deposit receipt from the bank is then attached to the appropriate back up for the deposit. – **Bank verification and receipts make this low risk.**
- Computers are password protected. Accounting software is separately password protected. Access to the accounting software is limited to the Operations Manager, Finance Assistant and CFO. – **Password protection and limited access to accounting software makes this low risk.**

Note: Internal controls are reviewed continuously, and adjustments are made as necessary.

The system of controls applicable to the GCEDC was last reviewed by the GCEDC's Audit Committee on June 27, 2023. The Audit Committee's review affirmed that there are no material control weaknesses to be reported. The GCEDC undergoes an annual financial audit by an independent CPA firm. While auditors are not engaged to perform an audit of internal controls, auditors do provide management letter comments when they encounter internal weaknesses. No material weaknesses or recommendations for improvement have been identified by the independent auditors.

In summary, the present internal control structure appears to be sufficient to meet internal control objectives that pertain to the prevention and detection of errors and irregularities.

**Client Name: Genesee County Industrial Development Agency  
dba Genesee County Economic Development Center  
Genesee Gateway Local Development Corporation**

**GGLDC administrative tasks are performed by GCEDC employees**

**Audit & Finance Committee Last Reviewed: 6/27/23**

**CASH CONTROL ACTIVITIES**

***Cash Receipts***

The GCEDC/GGLDC does not routinely handle cash. When cash is received, it's generally once a year at the annual meeting location via registration fees paid. Mail is opened by the Operations Assistant. All receipts are immediately marked "for deposit only". The cash receipts are deposited every 3 – 5 days in the appropriate cash account either in Five Star Bank, Key Bank, or The Bank of Castile. Some receipts are received directly into bank accounts via ACH/wire transfer. Posting of cash receipts to accounts receivable is done by the Finance Assistant. The postings are done promptly and accurately recorded as to customer account, amount and period. The Operations Manager reviews deposits and postings to customer accounts and general ledger accounts. Any adjustments to cash accounts are approved by the CFO. Cash held on site is stored in a locked file cabinet and kept independent of mail receipts. A PayPal account is used for annual meeting registration fees paid. Email notifications are received when payments have been made. PayPal deposits are recorded in the general ledger weekly by the Finance Assistant and the Operations Manager reviews the monthly activity.

***Cash Disbursements***

Cash disbursements are made by check, online payments, online bill pay or bank wire, except for small amounts from petty cash. Online payments and online bill pay are only made to ensure that bills are paid on time and to prevent late payment charges.

All checks require two signatures. GCEDC checks must be co-signed by at least one board member. GGLDC checks are signed by two board members. The GCEDC and GGLDC Audit & Finance Committee members are authorized bank signers.

All GCEDC line of credit withdrawals must be co-signed by at least one board member. GGLDC line of credit withdrawals must be signed by two board members.

Checks are pre-numbered and the sequence is accounted for regularly. All blank checks are kept in a secure location. All cash disbursement records are matched against accounts payable/open invoice files by the Operations Manager.

Invoices received are date stamped by the Operations Assistant and given to the Finance Assistant for review, tracking against contracts in place, to make sure supporting documentation is attached, and to ensure that the appropriate person signs off for approval of payment. All invoices are then reviewed by the Operations Manager and the CFO prior to disbursement checks being prepared. Checks are prepared by the Finance Assistant, only after proper matching of supporting documentation. Supporting documentation is marked with the check number when a check is prepared. The check signer reviews all supporting documentation. Purchasing documents are accounted for and controlled by the Operations Manager. Signed disbursement checks are returned to the Finance Assistant / Operations Assistant for mailing.  
*Mitigating controls: The CFO opens and reviews bank statements and does not have authorization to sign checks.*

All bank and interfund transfers are authorized by the CFO and the Sr. VP of Operations.

***Electronic/Online Payments***

Online bill pay can be used for payments to vendors that are on the Audit & Finance Committee pre-approved list. The same cash disbursement control procedures are followed, except that payments are acknowledged by two authorized bank signers after the online payment is complete.

***Bank Account Reconciliations***

Bank accounts are reconciled monthly by the Finance Assistant and reconciliations are reviewed by the Operations Manager and the CFO. All reconciling items are appropriate and supported. All bank statements received in the mail are delivered unopened to the CFO who opens, reviews and signs off prior to reconciliations being performed.

***Journal entries***

Non-standard journal entries are recorded in the general ledger by Operations Manager and the Finance Assistant and reviewed by the CFO.

**SUPPORT, PROGRAM SERVICE FEES, REVENUE AND RECEIVABLE CONTROL ACTIVITIES**

***Program Service Receivables***

Invoices are prepared once a month by the Finance Assistant. All invoices are numbered and issued in sequential order. Invoices are posted to the accounting system as payment is received. The individual(s) charged with the billing duties is also responsible for accounts receivable with the Operations Manager monitoring and reviewing the process.

***Pledges Receivable (Not Applicable)***

***Collections***

There are no established credit policies.

When cash payments are received they are posted to customer accounts by the Finance Assistant. The GCEDC/GGLDC does not prepare regular customer statements. Invoices for rent and revolving loan fund payments are mailed once a month and outstanding invoices older than 30 days are followed up via telephone by the Operations Manager, Senior VP of Operations, or CFO.

***Trial Balance***

The accounts receivable aging is maintained separately from the general ledger. The aging is reconciled once a month by the Operations Manager. Program revenues recorded are compared with the budget monthly by the Operations Manager and any significant deviations from budget are investigated and explained.

***Allowance for Doubtful Accounts Program Services fee write-offs:***

All write-offs to rent or revolving loan fund accounts are approved by the GCEDC/GGLDC Board of Directors. The accounts receivable aging is reviewed monthly by the Operations Manager. Accounts are deemed possibly uncollectible and written off to the allowance for doubtful accounts when they meet the following criteria: When the board of directors determines that all efforts to collect have been exhausted.

## **INVESTMENTS AND DERIVATIVE CONTROL ACTIVITIES**

*The GCEDC and GGLDC's Investment Policies are provided separately.*

## **EXPENSES FOR PROGRAM AND SUPPORTING SERVICES AND ACCOUNTS PAYABLE AND PURCHASES CONTROL ACTIVITIES**

### ***Purchasing (Other than Inventory)***

Purchasing is done by the Operations Assistant. For all purchases (other than items of inventory), the purchases are supported by approvals and authorizations. The GCEDC/GGLDC does not require pre-numbered purchase orders. Individuals with the right to approve and authorize purchases are the President/CEO, CFO, and Senior VP of Operations. The Operations Manager approves purchases of supplies, equipment and postage that are within budget as well as any other purchases that were planned for within the budget.

### ***Receiving, Recording Payable and Expense***

When the ordered items are received they are inspected for condition and counted by the Operations Assistant. Due to the small nature of the organization, full segregation of duties is not possible. The individual responsible for receiving is also responsible for purchasing, with oversight by Operations Manager or Finance Assistant.

The invoices subsequently received from vendors are matched up to the purchase orders and receiving reports and compared for quantities received, product ordered, pricing and clerical accuracy by the Operations Manager. For any goods that are returned, the shipping documents are maintained and reviewed and matched to vendor credit memos.

The payables are paid approximately twice a month by the Finance Assistant. The checks are reviewed and signed by two authorized bank account signers.

### ***Trial Balance***

The accounts payable aging is maintained separately from the general ledger. The aging is reconciled monthly by the Operations Manager. The GCEDC/GGLDC does not prepare monthly vendor statements. The President/CEO, CFO and the Audit & Finance Committee review the detailed monthly financial statements and compare the balances in expense accounts to budgeted amounts and any significant deviations from expectations are investigated and explained.

## **GCEDC PAYROLL AND EMPLOYEE BENEFITS CONTROL ACTIVITIES**

### ***Payroll***

Employees are paid biweekly out of the Five Star Bank primary checking account. Funds are transferred into the account used for payroll from the Five Star Bank primary savings account by the Operations Manager. The GCEDC transfers funds to cover payroll as needed. All fund transfers are authorized by the CFO and Senior VP of Operations. Employees are never paid in cash.

Salaried employees are not required to submit weekly time records however; a record of absence is to be maintained by each employee, kept current and electronically stored in a common location as directed. Employees must have vacation compensation approved by the President/CEO or CFO. The individuals responsible for approving time are not responsible for processing or recording payroll.

Hourly employees are required to submit bi-weekly time records to their supervisor to report hours worked.

Complete Payroll Processing is the service provider used to process payroll. All the payroll information provided to the service organization such as pay rates and withholdings is authorized by the President/CEO and/or CFO. Bi-weekly payroll information is submitted to Complete Payroll Processing by the Operations Manager after compiling adequate support for the time worked by the employees. The registers produced by the service are reviewed after processing and approved by Operations Manager. The review is done to ensure the payroll transactions are only for authorized employees and that the correct pay rate is used. GCEDC does not pay commission to its employees.

All payroll checks are pre-numbered and used in sequence and any unissued checks are controlled by Complete Payroll Processing.

When new employees are hired they complete the appropriate paperwork including withholding forms and authorizations for payroll deductions that are maintained in personnel files by the Operations Manager and are entered into the payroll system by the Operations Manager. When employees are terminated they are removed from the payroll system by the Operations Manager. When there are raises or changes in pay rates, they are approved by the President/CEO or CFO and entered into the payroll system by the Operations Manager. All changes in personnel data are reported promptly so they can be properly taken care of in the payroll database.

The timely remittance of payroll taxes and of the payroll tax returns is overseen by Complete Payroll Processing.

### ***Employee Benefits***

For all benefits provided to employees such as health insurance, retirement plans, and fringe benefits, support is maintained in the personnel files authorizing deductions by the Operations Manager. Individuals with the appropriate level of knowledge are responsible for monitoring employee benefit matters and for ensuring withholdings such as 403(b) or NYS Deferred Compensation deferrals and cafeteria plan withholdings are remitted timely. These individuals include the CFO and Operations Manager.

### ***Trial Balance***

The Operations Manager reviews the monthly financial statements and compares the balances in the payroll and employee benefit expense accounts to budgeted amounts and any significant deviations from expectations are investigated and explained. The detailed payroll records are also reconciled by the Operations Manager to the payroll tax returns quarterly, and the total W-2s are reconciled to the general ledger at year end by the Operations Manager.

When necessary the appropriate payroll accruals including accruals for compensated absences are made to the general ledger by the Operations Manager.

### **Computers / IT**

All computers are password protected. Peachtree is password protected. Each user has an independent password. Those with access to the Peachtree system are the Operations Manager, Finance Assistant, and CFO. The CFO does not post or change any data in the system; he/she reviews data only.

All employee computer files are backed up to the server and the server is backed up to an off-site location (Erie County IDA) on a nightly basis. The back-up is monitored by the IT Consultant and the Operations Manager.

There is a firewall in place. Multi-factor authentication is used by all staff.

**GCEDC Employee Reimbursements**

Employee reimbursement requests are submitted to and approved by the Senior VP of Operations and CFO. The President/CEO must sign off on requests submitted by the Senior VP of Operations or CFO. Two Board members must sign off on requests submitted by the President/CEO.

**GCEDC Travel Authorization**

Travel involving overnight accommodation or travel outside of New York State requires prior approval of the President & CEO (or the Chairman or Vice-Chairman of the Board, in the case of the CEO's travel).

Signed travel authorization forms are attached to subsequent reimbursement requests to verify that expenditures are appropriate and in line with the prior approval.

**GCEDC / GGLDC**

**Pre-Approved List of Vendors That Can Be Paid Online:**

- Tompkins Trust Company (Visa)
- Selective Insurance
- Toshiba Financial Services
- National Grid
- National Fuel
- Five Star Bank (Loan payments)
- KeyBank (Line of Credit payments)
- Bank of Castile
- Five Star Bank
- Quadiant (Postage)
- Traveler's (D&O Insurance)
- Town of Batavia (Water/Sewer)
- Empire Access

List Last Reviewed & Approved by Audit & Finance Committee:

GCEDC - 6/27/2023

GGLDC - 6/27/2023



# GCEDC

## Audit & Finance Committee Meeting Report

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### Renewal of Key Bank Line of Credit

**Discussion:** The GCEDC has a \$1M line of credit with Key Bank. In previous years we discussed changing this from a committed line to a demand line. This would eliminate the non-usage fee and ultimately afford GCEDC the comfort of having a line in place if needed, however there is no guarantee that the money is available during the negotiated term. Moving forward there will be only internal bank credit reviews/renewals, but no need to sign or update documentation annually unless the terms were to change. Any future modifications to the line are always less expensive and normally faster if the line is existing. The one caveat to a demand line is the bank can call the line as opposed to the current committed line which has an agreed upon term and maturity date.

**Fund commitment:** None.

**Committee action request:** The staff recommends transitioning to the demand line of credit at the same terms.

**GCEDC**  
**Audit & Finance Committee Report**  
**June 27, 2023**

**Cyber Liability Insurance**

Please see the attached renewal proposal for Cyber Liability Insurance. Lawley is proposing an option with Travelers this term.

Travelers was able to include all entities as it was confirmed there was a shared network. They also maintained the \$1M limit, Cyber Crime sublimit, and \$10k retention as included with our current policy.

Below is a list of additional markets that Lawley approached, along with their results. Not many direct markets will quote this class of business, as you can see.

Philadelphia: Not in the market for this class of business, form is also not as broad – decreased coverage.

Hanover: Not in the market for this class of business.

Chubb: Cannot quote Cyber for this class of business.

**Fund Commitment:** \$6,365 (\$3,182.50 EDC / \$3,182.50 LDC)

# INSURANCE PROPOSAL



**Genesee County Industrial  
Development Agency**  
July 1, 2023

**Lawley**

lawleyinsurance.com | 1.844.4LAWLEY

### Business Insurance

[lawleyinsurance.com/business](http://lawleyinsurance.com/business)

#### Property & Casualty

- General Liability
- Property
- Workers' Compensation Coverage
- Automobile/Commercial Vehicle Fleet Insurance
- Umbrella/Excess Liability Insurance
- Inland Marine/Equipment Coverage
- Business Income/Extra Expense
- Employee Dishonesty
- International Coverages
- Boiler & Machinery/Equipment Breakdown
- Transportation/Ocean Marine
- Owner's and Contractor's Protective Liability
- Builder's Risk
- Surety/Bonding
- Captive Programs
- Alternative Risk Financing
- Flood
- Earthquake

#### Specialty Products

- Pollution Liability/Environmental
- Professional Liability/Errors & Omissions
- Crime (Fidelity) Insurance
- Cyber Liability
- Director's and Officer's/Management Liability (D&O)
- Employment Practices Liability
- Fiduciary Liability
- Business Travel Accident/Kidnap & Ransom Insurance
- Identity Theft

### Employee Benefits

[lawleyinsurance.com/benefits](http://lawleyinsurance.com/benefits)

- Medical Insurance
- Prescription Drug Plans
- Private Benefits Exchange - Lawley Marketplace
- Medical Captive Programs
- Consortiums/Trusts
- Dental & Vision Benefits
- Group Life Insurance
- NYS Disability (DBL)
- Short-Term Disability Insurance
- Long-Term Disability Insurance
- Voluntary Insurance
- Executive Benefits
- Retirement Planning and 401k Administration
- Underwriting & Reporting
- Compliance
- Wellness Programs & Health Management Programs
- Lawley Simplifi

### Industry Specialties/Practice Groups

[lawleyinsurance.com/specialties](http://lawleyinsurance.com/specialties)

- Affordable Housing
- Construction
- Car Dealers
- Healthcare Facilities
- Manufacturing
- Not-for-Profits
- Farms
- Municipalities and Schools

*Products/services are subject to state eligibility*

## Risk Management

[lawleyinsurance.com/riskmanagement](http://lawleyinsurance.com/riskmanagement)

### Loss Control & Safety Services

- Safety Training & Safety Program Evaluations
- General Liability Loss Control
- Loss Source and Trending Analysis
- Code Rule 59 Consultation
- OSHA Assistance
- Defensive Driving Courses & Vehicle Fleet Loss Control
- Ergonomics Evaluation, Training, & Development
- Captive Loss Control
- Life Safety & Evacuation Plans
- Fire & Protection Systems Assistance
- Site Hazard Analysis
- Return to Work Programs
- Industrial Hygiene - Air, Noise Sampling
- Business Interruption - Contingency & Continuity Planning
- Contractual Liability & Risk Transfer
- Grant Submission & Training
- Accident Investigation

### Claims Management

- Claim Trend Analysis
- Claims Reviews (Workers' Compensation and General Liability)
- Claims Consulting Services
- Coverage Analysis Consulting and Monitoring
- Experience Modification Review and Recalculation
- First Aid Claim Program (Workers' Compensation)
- Litigation Management
- Reserve Analysis (Loss Forecaster Software)

## Personal Insurance

[lawleyinsurance.com/personal](http://lawleyinsurance.com/personal)

- Automobile Insurance
- Homeowners Insurance
- Vacation or Secondary Home Insurance
- Jewelry, Fine Arts, and Collectibles Insurance
- Renters Insurance
- Condominium Insurance
- Landlord (Rental Properties) Insurance
- Excess/Personal Umbrella Liability
- Flood Coverage, Primary & Excess
- Life Insurance
- Motorcycle Insurance
- Recreational Vehicle Insurance
- Watercraft Insurance
- Co-Ops Insurance
- Identity Theft Insurance
- Trip/Travel/International Medical & Evacuation Coverage
- Workers' Compensation (Domestic Help)
- Earthquake

## MyWave

[lawleyinsurance.com/mywave](http://lawleyinsurance.com/mywave)

**MyWave** – A customized portal for your HR needs: thousands of valuable resources, OSHA forms and peer-based forums to keep you informed and in-the-know

## Lawley Benefits University

[lawleyinsurance.com/lbu](http://lawleyinsurance.com/lbu)

**Lawley Benefits University** – Resources and events to help keep you informed about changes to healthcare legislation, healthcare reform, compliance issues and more. These tools help you successfully control insurance costs while staying educated on changes to the insurance environment

*Products/services are subject to state eligibility*

At Lawley we are committed to providing our clients with the best possible service. We have assembled an experienced team dedicated to your account.

The Insurance Advisor evaluates your exposures and designs a cost-effective program.

<b>Insurance Advisor</b>	William Fritts, Jr.	Phone:	(585) 344-9500
		Fax:	(716) 849-8291
		Email:	<a href="mailto:bfritts@lawleyinsurance.com">bfritts@lawleyinsurance.com</a>

The Account Executive supports your Producer and commercial lines team in the servicing of your account.

<b>Account Executive</b>	Susie E. Ott	Phone:	(585) 344-9501
		Fax:	(716) 849-8291
		Email:	<a href="mailto:sott@lawleyinsurance.com">sott@lawleyinsurance.com</a>

The Account Manager is your contact for all of your coverage and service requests.

<b>Account Manager</b>	Caitlin Celis	Phone:	(716) 849-4375
		Fax:	(716) 849-8291
		Email:	<a href="mailto:ccelis@lawleyinsurance.com">ccelis@lawleyinsurance.com</a>

The Specialty Account Manager supports your Producer and commercial lines team in the servicing of your specialty policy needs.

<b>Specialty Account Manager</b>	Caitlin Celis	Phone:	(716) 849-4375
		Fax:	(716) 849-8291
		Email:	<a href="mailto:ccelis@lawleyinsurance.com">ccelis@lawleyinsurance.com</a>

The Account Technician quality controls policy documents and manages all invoicing.

<b>Account Technician</b>	Cheryl Pena	Phone:	(716) 849-8687
		Fax:	(716) 849-8291
		Email:	<a href="mailto:cpena@lawleyinsurance.com">cpena@lawleyinsurance.com</a>

The Assistant Account Manager supports your Account Manager in fulfillment of service requests.

<b>Assistant Account Manager</b>	Diane Evans	Phone:	(716) 849-1524
		Fax:	(716) 849-8291
		Email:	<a href="mailto:devans@lawleyinsurance.com">devans@lawleyinsurance.com</a>

The Claim Consultant is responsible for reporting all loss information to the insurance company and then following up to make certain the claim is resolved.

<b>Claim Consultant</b>	Krista Voigt	Phone:	(716) 849-8651
		Fax:	(716) 849-8291
		Email:	<a href="mailto:kvoigt@lawleyinsurance.com">kvoigt@lawleyinsurance.com</a>

Please review the contact information we have on file. Over the course of a year, we may need to reach out to you for updates, notices or important information. If there is a specific person we should contact directly for billing, claims, inspections, service requests, please note that next to their name and the preferred method of contact.

**Changes or Corrections**

Contact Name	Penny Kennett	
Contact Address	Genesee County Industrial Development Agency 99 MedTech Dr STE 106 Batavia NY 14020	
Contact Phone #	(585) 343-4866	
Contact Email	pkennett@gcedc.com	
Description		

**Named Insured**

Genesee County Industrial Development Agency dba  
 Genesee County Economic Development Center  
 Genesee Gateway Local Development Corp  
 Genesee Agri-Business LLC  
 Genesee County Funding Corporation  
 STAMP Water Works Corp  
 STAMP Sewer Works Corp

<b>Policy Term:</b>	7/1/2023 - 7/1/2024
<b>Retroactive Date:</b>	Full Prior Acts
<b>Policy Type:</b>	Cyber Liability – Claims Made
<b>Carrier:</b>	Travelers Casualty & Surety Co. of America (Admitted; "A++ AM Best Rating)

Coverage	Limit	Retention
Privacy & Security	\$1,000,000	\$10,000
Payment Card Costs	\$1,000,000	\$10,000
Media	\$1,000,000	\$10,000
Regulatory Proceedings	\$1,000,000	\$10,000
Privacy Breach Notification	\$1,000,000	\$10,000
Computer & Legal Experts	\$1,000,000	\$10,000
Cyber Extortion	\$1,000,000	\$10,000
Data Restoration	\$1,000,000	\$10,000
Public Relations	\$1,000,000	\$10,000
Business Interruption	\$1,000,000	8 hours
Dependent Business Interruption & System Failure	\$1,000,000	8 hours
Reputation Harm	\$1,000,000	\$10,000
<b>Aggregate</b>	<b>\$1,000,000</b>	<b>N/A</b>

**Indication Information**

- Cyber Crime Sublimit: \$100,000 with \$5,000 retention
  - Computer Fraud
  - Funds Transfer Fraud
  - Social Engineering Fraud
  - Telecom Fraud
- Defense within the Limits
- Betterment Co-participation: 50%

**Extended Reporting Period**

- 12 months at 75% annual premium

This coverage form is written on a Claims-made basis. You may have an option to purchase an Extended Reporting Period (ERP) endorsement should your policy be cancelled or non-renewed.

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Coverage	7/1/2022-7/1/2023	7/1/2023-7/1/2024
Cyber Liability	\$10,289.17 <i>HSB</i>	\$6,365.00 <i>Travelers</i>
<b>Total Premium</b>	<b>\$10,289.17</b>	<b>\$6,365.00</b>

Notes: The Incumbent carrier did not offer terms due to the STAMP entities exposure.

**Payment Options**

- Direct Bill
  - Full pay
  - 10 Equal installments
  - 10 pay, 25% down, 9 installments
  - 6 pay, 25% down, 5 installments
  - Quarterly, 25% down, 3 installments
  - Semi-Annual, 50% down, 1 installment

**Binding Requirements**

- Request to bind