



Monday, February 23, 2015
GGLDC- Andrews Conference Room
Audit & Finance Committee Meeting
3:30 p.m.

MINUTES

ATTENDANCE

Committee Members: T. Felton, W. Hinchey, P. Battaglia
Staff: L. Farrell, M. Masse, P. Kennett
Guests: C. Yunker
Absent: P. Zelif

CALL TO ORDER / ENTER PUBLIC SESSION

T. Felton called the meeting to order at 4:00 p.m. in the Andrews Conference Room of the Genesee County Economic Development Center.

2. Discussions / Official Recommendations to the committee:

No official recommendations or discussions at this time.

2a. Pre-Audit Discussion:

The GGLDC committee was present for the GCEDC committee meeting and discussed the audit process and asked questions during that time.

2b. Allowance for Bad Debts:

L. Farrell informed the committee that the GGLDC did not have a allowance for bad debts previously. All of the outstanding loans are current in their payments and management does not see any signs of that changing. L. Farrell asked the committee what their thoughts were on the collectability of First Wave Technology's loan given that they have recently asked for an extension and their business is still in the early stages.

P. Battaglia stated that although First Wave Technology is a young company he is not saying that their loan is not collectable.

He also stated that even though all of the loans are current at this point in time, sooner or later something will happen and the GGLDC should have an allowance set up to cover any potential for loss.

T. Felton suggested that we follow a similar format for both entities.

P. Battaglia stated that their portfolio is different and they should use different methodologies given that there are no current delinquencies.

T. Felton suggested that it could be argued that there is inherit risk when someone goes past due, referring to First Wave, they are not delinquent, but the potential to collect the balance is a concern. Reviewing the list and keeping in mind that there should be some sort of allowance, he suggested a 5% allowance on all the loans except those to the GCEDC.

It was also noted that the committee would still like an opportunity to review the financial statements of all of the companies with loans to help solidify their decision.

P. Battaglia made a motion to approve a recommendation of creating an allowance based on 5% of the total loans outstanding less the GCEDC loans; the motion was seconded by W. Hinchey. Roll call resulted as follows:

W. Hinchey - Yes
P. Zelif - Absent
P. Battaglia - Yes
T. Felton - Yes

The Item was approved as presented.

ADJOURNMENT

As there was no further business, W. Hinchey made a motion to adjourn at approximately 4:17 p.m., seconded by P. Battaglia and passed unanimously.