



Meeting Agenda – Audit and Finance Committee

Genesee Local Development Corp.

October 1, 2019

Location: Innovation Zone Conference Room, 8:30 a.m.

Page #	Topic	Discussion Leader	Desired Outcome
	1. Call to Order – Enter Public Session	D. Cunningham	
2-3	2. Chairman’s Report & Activities 2a. Agenda Additions / Deletions / Other Business 2b. Minutes: September 3, 2019	D. Cunningham	Vote
4-8 9	3. Discussions / Official Recommendations to the Board: 3a. August 2019 Financial Statements 3b. Budget Timeline 3c. GGLDC 2020 Budget Assumptions 3d. Auditor Selection 3e. Insurance Renewal	L. Farrell L. Farrell L. Farrell L. Farrell L. Farrell	Disc / Vote Discussion Discussion Discussion Discussion
10-11	3f. Land Lease Rates 3g. Chamber Loan Update	M. Masse M. Masse	Disc / Vote Discussion
	4. Adjournment	D. Cunningham	Vote



GGLDC Audit & Finance Committee Meeting
Tuesday, September 3, 2019
Andrews Conference Room
8:30 a.m.

MINUTES

ATTENDANCE

Committee Members: T. Felton, T. Bender (via video conference), D. Cunningham, P. Battaglia
 Staff: L. Farrell, M. Masse, E. Richardson, S. Hyde, P. Kennett, J. Krencik
 Guests: A. Young, M. Gray
 Absent:

1. CALL TO ORDER / ENTER PUBLIC SESSION

D. Cunningham called the meeting to order at 8:47 a.m. in the GCEDC Andrews Conference Room.

2. CHAIRMAN'S REPORT & ACTIVITIES

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

2b. Minutes: July 30, 2019

T. Felton made a motion to approve the July 30, 2019 Meeting Minutes as presented; the motion was seconded by P. Battaglia. Roll call resulted as follows:

T. Felton - Yes
 P. Battaglia - Yes
 T. Bender - Yes (via video conference)
 D. Cunningham - Yes

The item was approved as presented.

3. DISCUSSIONS / OFFICIAL RECOMMENDATIONS TO THE BOARD:

3a. July 2019 Financial Statements – L. Farrell reviewed the July 2019 financial statements with the Committee. The following was noted:

- Restricted Cash decreased by approx. \$227K as OCR grant funds that were received in June were loaned to Freightliner in July. Loans Receivable increased by the same.
- Accounts Payable decreased as the 2nd quarter's Economic Development Program Support Grant and MedTech Centre Property Management Fee were paid to the GCEDC.
- All expenditures are in line with the budget except as noted.

T. Bender made a motion to recommend approval of the July 2019 Financial Statements as presented; the motion was seconded by T. Felton. Roll call resulted as follows:

T. Felton - Yes
P. Battaglia - Yes
T. Bender - Yes (via video conference)
D. Cunningham - Yes

The item was approved as presented.

3b. GGLDC Single Audit – L. Farrell shared that the GGLDC was required to have a Single Audit of its 12/31/18 financial statements as the Agency had over \$750K of federal expenditures. These expenditures included a \$1M Community Development Block Grant (CDBG) related to HP Hood.

The auditors' report expresses an unqualified opinion on whether the financial statements of the GGLDC were prepared in accordance with accounting principles generally accepted in the United States.

P. Battaglia made a motion to recommend approval of the GGLDC Single Audit as presented; the motion was seconded by T. Felton. Roll call resulted as follows:

T. Felton - Yes
P. Battaglia - Yes
T. Bender - Yes (via video conference)
D. Cunningham - Yes

The item was approved as presented.

4. ADJOURNMENT

As there was no further business T. Felton made a motion to adjourn at approximately 8:54 a.m. seconded by P. Battaglia and passed unanimously.

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Genesee Gateway Local Development Corp.
August 2019 Dashboard
Balance Sheet - Accrual Basis

	8/31/19	7/31/19	[Per Audit] 12/31/18
ASSETS:			
Cash - Unrestricted	\$ 254,317	\$ 283,165	\$ 300,714
Cash - Restricted (A)	835,621	833,372	897,910
Cash - Reserved (B)	1,109,025	1,094,547	1,111,889
Cash - Subtotal	<u>2,198,963</u>	<u>2,211,084</u>	<u>2,310,513</u>
Grants Receivable (1)	6,861	6,861	1,014,611
Accounts Receivable	-	-	815
Loans Receivable - Current Portion	359,457	366,291	136,586
Other Current Assets (2)	2,615	3,051	872
Total Current Assets	<u>2,567,896</u>	<u>2,587,287</u>	<u>3,463,397</u>
Land Held for Dev. & Resale	3,559,285	3,559,285	3,556,785
Buildings & Improvements	7,202,120	7,202,120	7,143,986
Furniture, Fixtures & Equipment	43,600	43,600	43,600
Total Property, Plant & Equip.	10,805,005	10,805,005	10,744,371
Less Accumulated Depreciation	(1,691,751)	(1,675,355)	(1,560,575)
Net Property, Plant & Equip.	<u>9,113,254</u>	<u>9,129,650</u>	<u>9,183,796</u>
Loans Receivable - Noncurrent Portion (Net of \$202,125 Allow for Bad Debt at 8/31/19, \$209,786 at 7/31/19 and \$149,438 at 12/31/18)	940,653	954,165	329,278
Equity Investment in Genesee Agri-Business, LLC (3)	3,220,240	3,220,240	3,220,240
Other Assets	<u>4,160,893</u>	<u>4,174,405</u>	<u>3,549,518</u>
Total Assets	<u>15,842,043</u>	<u>15,891,342</u>	<u>16,196,711</u>
LIABILITIES:			
Accounts Payable (4)	63,374	31,687	602,921
Unearned Revenue (5)	2,084	38,012	37,979
Security Deposits	108,680	108,680	108,680
Loans Payable - Current Portion	75,749	75,497	73,744
Bonds Payable - Current Portion	116,635	116,386	307,395
Total Current Liabilities	<u>366,522</u>	<u>370,262</u>	<u>1,130,719</u>
Loans Payable - Noncurrent Portion	2,367,369	2,373,796	2,418,209
Bonds Payable - Noncurrent Portion	2,890,086	2,900,632	2,974,830
Total Noncurrent Liabilities	<u>5,257,455</u>	<u>5,274,428</u>	<u>5,393,039</u>
Total Liabilities	<u>5,623,977</u>	<u>5,644,690</u>	<u>6,523,758</u>
EQUITY	<u>\$ 10,218,066</u>	<u>\$ 10,246,652</u>	<u>\$ 9,672,953</u>

Significant Events:

1. Grants Receivable - OCR will reimburse for H. Sichernman grant consulting services, etc.
2. Other Current Assets - Includes prepaid D&O insurance.
3. Equity Investment in Genesee Agri-Business, LLC - ties to corresponding GAB, LLC financial statements.
4. Accounts Payable - Grant for continuing Economic Development Program Support and MedTech Centre Property Management.
5. Unearned Revenue - LeRoy/Bergen America's Best Community grant funds received, but not yet expended/earned; Loan interest received in advance.

(A) Restricted = Community Benefit Agreement (CBA) Funds, Security Deposits, USDA Debt Sinking Fund.

(B) Reserved = OCR loan repayments, Strategic Investment Funds, Economic Development Loan Funds, Batavia Micropolitan Area Redevelopment Loan Funds, Grant Funds.

**Genesee Gateway Local Development Corp.
August 2019 Dashboard
Profit & Loss - Accrual Basis**

	Month to Date		YTD		2019	2019
	8/31/19	8/31/18	2019	2018	Board Approved Budget	YTD % of Budget
Operating Revenues:						
Grants (1)	\$ -	-	\$ 721,990	209,780	\$ 1,207,483	60%
Interest Income on Loans	2,768	2,526	19,287	21,860	21,139	91%
Rent	55,891	57,986	452,483	447,892	676,223	67%
Fees	250	-	9,481	-	-	N/A
Other Revenue	-	-	2,028	641	500	406%
Total Operating Revenues	58,909	60,512	1,205,269	680,173	1,905,345	
Operating Expenses:						
Operations & Maintenance	13,815	13,096	75,677	75,259	122,701	62%
Professional Services	11,188	8,347	84,157	85,975	155,243	54%
Econ. Dev. Prog. Support Grant	25,000	25,000	200,000	200,000	300,000	67%
Site Development Expense	2,289	-	2,289	-	352,000	1%
Grant Expense	-	-	-	-	896,736	0%
Real Estate Dev. (Capitalized) (2)	-	-	60,634	2,163	28,700	211%
Buildings/Furniture/Equip. (Capitalized)	-	-	-	8,500	-	0%
Balance Sheet Absorption (2)	-	-	(60,634)	(10,663)	(28,700)	211%
Depreciation	16,396	16,314	131,176	130,516	195,801	67%
Total Operating Expenses	68,688	62,757	493,299	491,750	2,022,481	
Operating Revenue (Expense)	(9,779)	(2,245)	711,970	188,423	(117,136)	
Non-Operating Revenues (Expenses):						
Other Interest Income	2,223	709	13,953	2,362	4,150	336%
Interest Expense	(21,030)	(22,711)	(180,810)	(197,589)	(265,440)	68%
Total Non-Operating Exp.	(18,807)	(22,002)	(166,857)	(195,227)	(261,290)	
Change in Net Assets	(28,586)	(24,247)	545,113	(6,804)	\$ (378,426)	
Net Assets - Beginning	10,246,652	9,882,498	9,672,953	9,865,055		
Net Assets - Ending	\$ 10,218,066	\$ 9,858,251	\$ 10,218,066	\$ 9,858,251		

Significant Events:

- Grant Revenue - YTD includes \$227.8K OCR grant that supports loan to Freightliner; \$205K PIF from County (rcvd thru GCEDC) supporting Ag Park improvements (pays bond principal and interest); \$234K grant per GGLDC/County agreement to defederalize CDBG funds (loaned to Yancey's Fancy); \$50K Pearl Solar funding for workforce development and economic development program support; Grant Revenue recorded with no corresponding expense drives Net Operating Revenue.
- Real Estate Dev./Balance Sheet Absorption YTD - Replaced light pole heads in MedTech Centre parking lot, upgrading to LED; Build-out of unfinished space.

Genesee Gateway Local Development Corp.
August 2019 Dashboard
Statement of Cash Flows

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	August 2019	YTD
CASH PROVIDED BY OPERATING ACTIVITIES:		
Grant Income	\$ -	\$ 1,729,740
Interest Income on Loans	2,744	19,296
Rental Income	19,987	416,579
Fees	250	9,481
Other Revenue	-	2,028
Operations & Maintenance	(13,379)	(82,152)
Professional Services	(4,501)	(81,133)
Economic Development Program Support Grant	-	(150,000)
Site Development Expense	(2,289)	(2,289)
Improvements of Land Held for Dev. & Resale	-	(2,500)
Cost of Land Sales	-	(9,935)
Grant Expense	-	(577,089)
Issuance of Loans	-	(973,853)
Repayment of Loans	20,346	139,607
Net Cash Provided By Operating Activities	23,158	437,780
CASH FLOWS USED BY CAPITAL & RELATED FINANCING ACTIVITIES:		
Principal Payments on Bonds & Loans	(16,472)	(324,339)
Interest Paid on Bonds & Loans	(21,030)	(180,810)
Purchase/Improvements of Buildings/Furniture/Equipment	-	(58,134)
Net Cash Used By Capital & Related Financing Activities	(37,502)	(563,283)
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES:		
Interest Income	2,223	13,953
Net Cash Provided By Investing Activities	2,223	13,953
Net Change in Cash	(12,121)	(111,550)
Cash - Beginning of Period	2,211,084	2,310,513
Cash - End of Period	\$ 2,198,963	\$ 2,198,963
RECONCILIATION OF OPERATING REVENUE (EXPENSE) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Revenue (Expense)	\$ (9,779)	711,970
Adjustments:		
Depreciation Expense	16,396	131,176
Increase in Land Held For Dev. & Resale	-	(2,500)
Decrease in Grants/Accounts Receivable	-	1,008,565
(Increase) Decrease in Other Current Assets	436	(1,743)
(Increase) Decrease in Loans Receivable	20,346	(834,246)
Increase (Decrease) in Operating Accounts Payable	31,687	(539,547)
Decrease in Unearned Revenue	(35,928)	(35,895)
Total Adjustments	32,937	(274,190)
Net Cash Provided By Operating Activities	\$ 23,158	\$ 437,780

**Genesee Gateway Local Development Corp.
August 2019 Dashboard
Balance Sheet - Accrual Basis**

				COMBINED	
	<u>GGLDC</u>	<u>GABLLC</u>	<u>Eliminations</u>	<u>8/31/19</u>	<u>Per Audit</u> <u>12/31/2018</u>
	<u>8/31/19</u>	<u>8/31/19</u>			
ASSETS:					
Cash - Unrestricted	\$ 254,317	\$ -	\$ -	\$ 254,317	\$ 300,714
Cash - Restricted (A)	835,621	-	-	835,621	897,910
Cash - Reserved (B)	1,109,025	265,749	-	1,374,774	1,383,296
Cash - Subtotal	<u>2,198,963</u>	<u>265,749</u>	<u>-</u>	<u>2,464,712</u>	<u>2,581,920</u>
Grants Receivable	6,861	-	-	6,861	1,014,611
Accounts Receivable	-	-	-	-	815
Loans Receivable - Current	359,457	-	-	359,457	136,586
Other Current Assets	2,615	-	-	2,615	872
Total Current Assets	<u>2,567,896</u>	<u>265,749</u>	<u>-</u>	<u>2,833,645</u>	<u>3,734,804</u>
Land Held for Dev. & Resale	3,559,285	3,116,511	-	6,675,796	6,673,296
Buildings & Improvements	7,202,120	-	-	7,202,120	7,143,986
Furniture, Fixtures & Equipment	43,600	-	-	43,600	43,600
Total Property, Plant & Equip.	<u>10,805,005</u>	<u>3,116,511</u>	<u>-</u>	<u>13,921,516</u>	<u>13,860,882</u>
Less Accumulated Depreciation	<u>(1,691,751)</u>	<u>-</u>	<u>-</u>	<u>(1,691,751)</u>	<u>(1,560,575)</u>
Net Property, Plant & Equip.	<u>9,113,254</u>	<u>3,116,511</u>	<u>-</u>	<u>12,229,765</u>	<u>12,300,307</u>
Loans Receivable - Noncurrent	940,653	-	-	940,653	329,278
Land Options	-	5,000	-	5,000	5,000
Equity Investment in GAB, LLC	3,220,240	-	(3,220,240)	-	-
Other Assets	<u>4,160,893</u>	<u>5,000</u>	<u>(3,220,240)</u>	<u>945,653</u>	<u>334,278</u>
TOTAL ASSETS	<u>15,842,043</u>	<u>3,387,260</u>	<u>(3,220,240)</u>	<u>16,009,063</u>	<u>16,369,389</u>
LIABILITIES:					
Accounts Payable	63,374	-	-	63,374	602,921
Unearned Revenue	2,084	-	-	2,084	37,979
Security Deposits	108,680	-	-	108,680	108,680
Loans Payable - Current Portion	75,749	-	-	75,749	73,744
Bonds Payable - Current Portion	116,635	-	-	116,635	307,395
Total Current Liabilities	<u>366,522</u>	<u>-</u>	<u>-</u>	<u>366,522</u>	<u>1,130,719</u>
Loans Payable - Noncurrent Portion	2,367,369	-	-	2,367,369	2,418,209
Bonds Payable - Noncurrent Portion	2,890,086	-	-	2,890,086	2,974,830
Total Noncurrent Liabilities	<u>5,257,455</u>	<u>-</u>	<u>-</u>	<u>5,257,455</u>	<u>5,393,039</u>
TOTAL LIABILITIES	<u>5,623,977</u>	<u>-</u>	<u>-</u>	<u>5,623,977</u>	<u>6,523,758</u>
EQUITY	<u>\$ 10,218,066</u>	<u>\$ 3,387,260</u>	<u>\$ (3,220,240)</u>	<u>\$ 10,385,086</u>	<u>\$ 9,845,631</u>

(A) Restricted = Community Benefit Agreement (CBA) Funds, Security Deposits, USDA Debt Sinking Fund
 (B) Reserved = OCR loan repayments, Strategic Investment Funds, Economic Development Loan Funds, Batavia Metropolitan Area Redevelopment Loan Funds, Grant Funds








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**Genesee Gateway Local Development Corp.
August 2019 Dashboard
Profit & Loss - Accrual Basis**

	GGLDC	GABLLC	COMBINED	
	<u>8/31/19</u>	<u>8/31/19</u>	<u>Eliminations</u>	<u>8/31/19</u>
				<u>Combined YTD</u>
<u>Operating Revenues:</u>				
Grants	\$ 2,768	\$ -	\$ -	\$ 2,768
Interest Income on Loans	55,891	-	-	55,891
Rent	-	-	-	-
Fees	250	-	-	250
Other Revenue	-	-	-	-
Total Operating Revenues	58,909	-	-	58,909
<u>Operating Expenses:</u>				
Operations & Maintenance	13,815	-	-	13,815
Professional Services	11,188	-	-	11,188
Econ. Dev. Program Support Grant	25,000	-	-	25,000
Site Development Expense	2,289	-	-	2,289
Depreciation	16,396	-	-	16,396
Total Operating Expenses	68,688	-	-	68,688
Operating Revenue (Expense)	(9,779)	-	-	(9,779)
<u>Non-Operating Revenues (Expenses):</u>				
Other Interest Income	2,223	88	-	2,311
Interest Expense	(21,030)	-	-	(21,030)
Total Non-Operating Rev (Exp)	(18,807)	88	-	(18,719)
Change in Net Assets	(28,586)	88	-	(28,498)
Net Assets - Beginning	10,246,652	3,387,172	(3,220,240)	10,413,584
Net Assets - Ending	\$ 10,218,066	\$ 3,387,260	\$ (3,220,240)	\$ 10,385,086

2020 Budget Timeline

Genesee Gateway Local Development Corporation

-  Week of Sept 9 Planning Assumptions / Preliminary Inputs
-  Week of Sept 16 Budget Worksheet Inputs – CFO & Sr. VP of Ops Review
-  Week of Sept 23 CEO Review of Draft Budget
-  Oct 1 @ 8:30am Audit & Finance Committee - Budget Workshop Meeting
-  Oct 29 @ 8:30am Audit & Finance Committee - Review & Recommendation
-  Oct 31 @ 4pm Board Review & Approval
-  By Nov 1 Budget to ABO/Post on GCEDC Web Site

Mark Masse

GGLDC

Audit & Finance Committee

October 1, 2019

Agricultural Farm Land Lease Rates for 2020

Discussion: See attached summary.

Fund commitment: None.

Committee action request: Recommend approval to the full Board of the 2020 agricultural land lease rates.

**2020 Land Lease Rates
Agricultural leases**

Genesee Gateway Local Development Corp.

Lessee	Location	Term	Acres	Rate / acre	Total rent
Boxler Dairy	Agri-Business Park	One year	37.7	\$ 100.00	\$ 3,770.00
Bob Wood	MedTech Centre	One year	7	\$ 60.00	\$ 420.00