



**Meeting Agenda – Audit and Finance Committee**

Genesee Gateway Local Development Corp.

Tuesday, May 30, 2017

Location: GCEDC Conference Room, 8:30 a.m.

Page #	Topic	Discussion Leader	Desired Outcome
	1. Call To Order – Enter Public Session	T. Felton	
	1a. Presentations: - Gallina Development		
2-5	<b>2. Chairman’s Report &amp; Activities</b> 2a. Agenda Additions / Other Business 2b. Minutes: May 2, 2017	T. Felton	Vote
6-10	<b>3. Discussions / Official Recommendations to the Board:</b> 3a. April 2017 Financial Statements 3b. BETP / Corfu Waste Water Treatment Facility Update	L. Farrell M. Masse	Disc / Vote Discussion
	4. Adjournment	T. Felton	Vote



**Tuesday, May 2, 2017**  
**GGLDC – Andrews Conference Room**  
**Audit & Finance Committee Meeting**  
**3:00 p.m.**

**MINUTES**

**ATTENDANCE**

Committee Members: P. Battaglia, H. Upson, T. Felton  
Staff: L. Farrell, M. Masse, P. Kennett, S. Hyde  
Guests: M. Gray (GCEDC Board Member)  
Absent:

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

T. Felton called the meeting to order at 3:55 p.m. in the Andrews Conference Room.

**1a. Executive Session** – P. Battaglia made a motion to enter into the executive session under the Public Officers Law, Article 7, Open Meetings Law Section 105, at 3:55 p.m., for the following reasons:

- 1. To discuss 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 H. Upson and approved by all members present.

**1b. Re-Enter Public Session** - P. Battaglia made a motion to enter back into public session at 4:15 p.m., seconded by H. Upson and approved by all members present.

**2. CHAIRMAN'S REPORT & ACTIVITES**

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

**2b. Minutes: March 30, 2017** –

**H. Upson made a motion to accept the March 30, 2017 Meeting Minutes as presented; the motion was seconded by P. Battaglia. Roll call resulted as follows:**

T. Felton - Yes  
P. Battaglia - Yes  
H. Upson - Yes

The item was approved as presented.

**3. DISCUSSIONS / OFFICIAL RECOMMENDATIONS TO THE BOARD:**

**3a. 1st Quarter 2017 Financial Statements** – L. Farrell presented the 1st Quarter Financial Statements to the Committee and noted the following:

- Unrestricted cash consists mostly of MedTech Centre funds.
- \$8,500 National Grid grant draw request is for Buffalo East Tech Park all ready to go out this week.

- The Empire Pipeline Community Benefit Agreement payment dedicated to support development at the GVAB was received. It flows through the GCEDC and pays annual principal and interest on the bond.
- Most expenses are within budget; expenses that are not within budget amounts are directly related to grant revenues.

**P. Battaglia made a motion to recommend approval of the 1<sup>st</sup> Quarter 2017 Financial Statements as presented; the motion was seconded by H. Upson. Roll call resulted as follows:**

- T. Felton - Yes
- P. Battaglia - Yes
- H. Upson - Yes

**The item was approved as presented.**

**3b. Strategic Investments Update** – L. Farrell reviewed the Strategic Investment Analysis Summary as included in the Committee packet. The following was noted:

- It was noted that all items in red are not yet approved by the Board.
- \$500,000 MedTech Centre reserve was moved out to 2021.
- Extended the \$300,000 Economic Development Program Grant through 2020.
- The Workforce Development contract is in red, but a contract has been approved through August of 2017.

**3c. Waste Water Treatment Facility Expansion - BETP** – M. Masse informed the Committee that the County will be meeting tomorrow to act on a resolution for the Yancey Fancy PILOT Increment Financing (PIF). The PIF will be used to help cover expenses related to waste water treatment facility expansion in the Village of Corfu. Once the PIF is in place an additional \$440K in funding will be brought forward for Board consideration.

**3d. Batavia Brewing Co. Loan Request** – The Batavia Brewing Company is currently renovating the old Newberry’s Building in downtown Batavia. The project will convert the basement into a brewing facility, the first floor into a bar/restaurant with two spaces for Freshlab tenants, and the second and third floor will be renovated from vacant space into apartments.

This project fits the eligibility criteria of the Batavia Micropolitan Redevelopment Loan Funds. The purpose of this fund is to “facilitate redevelopment of underutilized buildings and sites including adaptive reuse projects including mixed-use projects that may include a housing component”.

M. Masse recommend approval to the full Board of the Batavia Brewing Company’s Micropolitan Redevelopment Loan Fund application in the amount of \$150,000. This approval will require the personal guarantee of the members of Batavia Brewing Corporation, a second lien position in the building behind the bank, and a cross corporate guarantee from the real estate entity.

**P. Battaglia made a motion to recommend approval of the Batavia Brewing Co. Loan Request as presented; the motion was seconded by H. Upson. Roll call resulted as follows:**

- T. Felton - Abstain
- P. Battaglia - Yes
- H. Upson - Yes

**The item was approved as presented.**

**3e. Liberti Valvo & Associates Loan Request** – On April of 2011, Liberti, Valvo & Associates were approved for a \$50,000 loan from the GCEDC's loan fund. These funds were used for inventory of their business, and the inventory was pledged as collateral on the loan. Liberti, Valvo & Associates are a manufacturer's representative of wholesale and retail sales of safety products. This loan will be paid off in mid-2018. They have been on time with all payments of this loan. Liberti Valvo is now requesting an additional loan to restructure some debt with the Bank of Castile. The Bank of Castile has committed to providing \$225,000 in financing, and they are looking for the GGLDC to cover the gap of \$50,000 in the total project of \$275,000. This money would be used as working capital, would serve (along with the Bank of Castile funding) to retain the two jobs that were just created. This loan would be a high-risk loan as there would be no collateral that could be pledged against this since it would be for working capital, although personal guarantees would be required.

M. Masse asked the Committee to recommend approval of a \$50,000 loan to Liberti Valvo & Associates.

The committee reviewed the loan information, but did not approve it. They asked that it be brought directly to the Board for approval.

**3f. Mowing Contract for Corporate Parks** – M. Masse reviewed bids received for mowing at the parks with the Committee. It was recommended that S&S Trucking be awarded the contract as the lowest responsive, responsible bidder for Buffalo East Tech Park property for a price not to exceed \$1,750 and McKenzie Landscaping to be awarded the contract as the lowest responsive, responsible bidder for Gateway II for a price not to exceed \$390.

**H. Upson made a motion to recommend approval of the Mowing Contracts for the Corporate Parks as presented; the motion was seconded by P. Battaglia. Roll call resulted as follows:**

T. Felton - Yes  
P. Battaglia - Yes  
H. Upson - Yes

**The item was approved as presented.**

**3g. First Wave Technologies Loan** – In January of 2016, First Wave Technologies submitted to the GGLDC the following request:

- Continuation of the 2015 monthly principle and interest payment of \$5,379.92 vs the currently scheduled increase on 2/1/16 of \$13,117.05, along with an extension of the maturity date, and;
- Consent to share the lien position on all the assets of First Wave Tech pro-rata with the new \$750,000 of monies.

The GGLDC approved those terms contingent upon First Wave making a \$100,000 balloon payment on January 1, along with extending the term of exercising the options for both the GCEDC and the GGLDC by another five years. First Wave has not made the \$100,000 balloon payment yet, but has continued to make the monthly principal and interest payments at the reduced amount (\$5,379.92). We have been in continuous contact with First Wave about the \$100,000 payment and they are still working on closing the financing that would provide them the funds to make that balloon payment.

M. Masse recommended approving a reduced principal and interest payment amount of \$5,379.92 that First Wave is currently paying.

The Committee decided not to approve anything at this time, but asked M. Masse to have First Wave provide a written request for a 60 day extension and to bring the written request before the Board to review and ask for approval.

**4. ADJOURNMENT**

As there was no further business, P. Battaglia made a motion to adjourn at approximately 4:50 p.m., seconded by H. Upson and passed unanimously.



Genesee Gateway Local Development Corp.  
 April 2017 Dashboard  
 Balance Sheet - Accrual Basis

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	<u>4/30/17</u>	Three Month Period Ended <u>3/31/17</u>	[Per Audit] <u>12/31/16</u>
<b><u>ASSETS:</u></b>			
Cash - Unrestricted	\$ 225,687	\$ 286,198	\$ 253,535
Cash - Restricted (A)	607,669	607,648	601,448
Cash - Reserved (B)	1,243,312	1,317,473	1,287,718
Cash - Subtotal	2,076,668	2,211,319	2,142,701
Grants Receivable (1)	11,528	11,528	64,101
Accounts Receivable	76	23	-
Loans Receivable - Current Portion	492,591	472,413	423,774
Other Current Assets (2)	4,340	4,774	905
<b>Total Current Assets</b>	<b>2,585,203</b>	<b>2,700,057</b>	<b>2,631,481</b>
Land Held for Dev. & Resale	3,857,780	3,857,780	3,857,780
Buildings & Improvements	7,126,776	7,126,776	7,126,776
Furniture, Fixtures & Equipment	43,700	43,700	43,700
Total Property, Plant & Equip.	11,028,256	11,028,256	11,028,256
Less Accumulated Depreciation	(1,251,670)	(1,235,350)	(1,186,388)
<b>Net Property, Plant &amp; Equip.</b>	<b>9,776,586</b>	<b>9,792,906</b>	<b>9,841,868</b>
Loans Receivable - Noncurrent Portion (Net of \$149,438 Allow for Bad Debt)	800,052	831,326	924,628
Equity Investment in Genesee Agri-Business, LLC (3)	3,220,240	3,220,240	3,220,240
<b>Other Assets</b>	<b>4,020,292</b>	<b>4,051,566</b>	<b>4,144,868</b>
<b>Total Assets</b>	<b>16,382,081</b>	<b>16,544,529</b>	<b>16,618,217</b>
<b><u>LIABILITIES:</u></b>			
Accounts Payable (4)	31,677	95,031	70,238
Unearned Revenue (5)	9,648	61,255	45,411
Security Deposits	108,680	108,680	108,680
Loans Payable - Current Portion	69,011	68,782	68,085
Bonds Payable - Current Portion	285,949	286,047	274,417
<b>Total Current Liabilities</b>	<b>504,965</b>	<b>619,795</b>	<b>566,831</b>
Loans Payable - Noncurrent Portion	2,539,490	2,545,345	2,562,809
Bonds Payable - Noncurrent Portion (6)	3,370,220	3,379,467	3,594,297
<b>Total Noncurrent Liabilities</b>	<b>5,909,710</b>	<b>5,924,812</b>	<b>6,157,106</b>
<b>Total Liabilities</b>	<b>6,414,675</b>	<b>6,544,607</b>	<b>6,723,937</b>
<b>EQUITY</b>	<b>\$ 9,967,406</b>	<b>\$ 9,999,922</b>	<b>\$ 9,894,280</b>

**Significant Events:**

1. Grants Receivable - YTD decrease due to \$53K OCR grant funds received in January [US Gypsum project]; balance includes National Grid grant that will reimburse for BETP improvements.
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 Center Property Management.
5. Unearned Revenue - LeRoy/Bergen America's Best Community grant funds received, but not yet expended/earned.
6. Bonds Payable Noncurrent Portion - YTD decrease due to annual principal and interest payment on Ag Park bond made in 1st Quarter.

- (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.

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**Genesee Gateway Local Development Corp.  
April 2017 Dashboard  
Profit & Loss - Accrual Basis**

	Month to Date		YTD		2017	2017
	4/30/17	4/30/16	2017	2016	Board Approved	YTD %
					Budget	of Budget
<b>Operating Revenues:</b>						
Grants (1)	\$ -	-	\$ 205,780	686,599	\$ 318,491	65%
Interest Income on Loans	2,854	2,760	11,630	12,930	26,097	45%
Rent	55,641	55,641	222,563	222,563	672,901	33%
Fees	250	-	250	250	-	N/A
Other Revenue	552	-	1,281	500	500	256%
<b>Total Operating Revenues</b>	<b>59,297</b>	<b>58,401</b>	<b>441,504</b>	<b>922,842</b>	<b>1,017,989</b>	
<b>Operating Expenses:</b>						
Operations & Maintenance	7,870	8,328	36,808	38,486	122,245	30%
Professional Services	20,195	27,425	45,861	58,039	260,734	18%
Econ. Dev. Prog. Support Grant	25,000	25,000	100,000	100,000	300,000	33%
Bad Debt Expense	-	8,333	-	33,333	-	N/A
Grant Expense	-	-	-	-	367,000	0%
Real Estate Dev. (Capitalized)	-	-	-	-	1,200	0%
Buildings/Furniture/Equip. (Capitalized)	-	-	-	2,150	21,000	0%
Balance Sheet Absorption	-	-	-	(2,150)	(22,200)	0%
Depreciation	16,320	17,208	65,282	65,120	196,000	33%
<b>Total Operating Expenses</b>	<b>69,385</b>	<b>86,294</b>	<b>247,951</b>	<b>294,978</b>	<b>1,245,979</b>	
<b>Operating Revenue (Expense)</b>	<b>(10,088)</b>	<b>(27,893)</b>	<b>193,553</b>	<b>627,864</b>	<b>(227,990)</b>	
<b>Non-Operating Revenues (Expenses):</b>						
Other Interest Income	101	86	425	342	969	44%
Interest Expense	(22,529)	(21,418)	(120,852)	(132,924)	(301,452)	40%
<b>Total Non-Operating Exp.</b>	<b>(22,428)</b>	<b>(21,332)</b>	<b>(120,427)</b>	<b>(132,582)</b>	<b>(300,483)</b>	
<b>Change in Net Assets</b>	<b>(32,516)</b>	<b>(49,225)</b>	<b>73,126</b>	<b>495,282</b>	<b>\$ (528,473)</b>	
<b>Net Assets - Beginning</b>	<b>9,999,922</b>	<b>9,809,374</b>	<b>9,894,280</b>	<b>9,264,867</b>		
<b>Net Assets - Ending</b>	<b>\$ 9,967,406</b>	<b>\$ 9,760,149</b>	<b>\$ 9,967,406</b>	<b>\$ 9,760,149</b>		

**Significant Events:**

1. Grant Revenue - YTD includes \$205K Empire Pipeline Community Benefit Agreement payment (rcvd thru GCEDC) supporting Ag Park improvements (pays bond principal and interest); Grant Revenue recorded with no corresponding expense drives Net Operating Revenue.

**Genesee Gateway Local Development Corp.**  
**April 2017 Dashboard**  
**Statement of Cash Flows**

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	April 2017	YTD
<b>CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>		
Grant Income	\$ -	\$ 258,353
Interest Income on Loans	2,854	11,624
Rental Income	4,034	186,806
Fees	250	250
Other Revenue	552	1,281
Operations & Maintenance Expense	(7,489)	(44,840)
Professional Services	(33,549)	(56,251)
Economic Development Program Support Grant	(75,000)	(75,000)
Grant Expense	-	(45,000)
Repayment of Loans	11,096	55,759
Net Cash Provided (Used) By Operating Activities	(97,252)	292,982
<b>CASH FLOWS USED BY CAPITAL &amp; RELATED FINANCING ACTIVITIES:</b>		
Principal Payments on Bonds & Loans	(14,971)	(234,938)
Interest Paid on Bonds & Loans	(22,529)	(120,852)
Purchase/Improvements of Buildings/Furniture/Equipment	-	(3,650)
Net Cash Used By Capital & Related Financing Activities	(37,500)	(359,440)
<b>CASH FLOWS PROVIDED BY INVESTING ACTIVITIES:</b>		
Interest Income	101	425
Net Cash Provided By Investing Activities	101	425
Net Change in Cash	(134,651)	(66,033)
Cash - Beginning of Period	2,211,319	2,142,701
Cash - End of Period	\$ 2,076,668	\$ 2,076,668
<b>RECONCILIATION OF OPERATING REVENUE (LOSS)</b>		
<b>TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>		
Operating Revenue (Loss)	\$ (10,088)	\$ 193,553
Adjustments:		
Depreciation Expense	16,320	65,282
(Increase) Decrease in Grants/Accounts Receivable	(53)	52,497
(Increase) Decrease in Other Current Assets	434	(3,435)
Decrease in Loans Receivable	11,096	55,759
Decrease in Operating Accounts Payable	(63,354)	(34,911)
Decrease in Unearned Revenue	(51,607)	(35,763)
Total Adjustments	(87,164)	99,429
Net Cash Provided (Used) By Operating Activities	\$ (97,252)	\$ 292,982



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**Genesee Gateway Local Development Corp.  
April 2017 Dashboard  
Balance Sheet - Accrual Basis**

	GGLDC		Eliminations	COMBINED	
	4/30/17	GABLLC 4/30/17		4/30/17	Per Audit 12/31/2016
<b>ASSETS:</b>					
Cash - Unrestricted	\$ 225,687	\$ -	\$ -	\$ 225,687	\$ 253,535
Cash - Restricted (A)	607,669	-	-	607,669	601,448
Cash - Reserved (B)	1,243,312	49,326	-	1,292,638	1,343,942
Cash - Subtotal	<u>2,076,668</u>	<u>49,326</u>	<u>-</u>	<u>2,125,994</u>	<u>2,198,925</u>
Grants Receivable	11,528	-	-	11,528	64,101
Accts Receivable - Current	76	-	-	76	-
Loans Receivable - Current	492,591	113,975	-	606,566	537,749
Other Current Assets	4,340	-	-	4,340	905
<b>Total Current Assets</b>	<b><u>2,585,203</u></b>	<b><u>163,301</u></b>	<b><u>-</u></b>	<b><u>2,748,504</u></b>	<b><u>2,801,680</u></b>
Land & Improvements	3,857,780	3,116,511	-	6,974,291	6,979,291
Buildings & Improvements	7,126,776	-	-	7,126,776	7,126,776
Furniture, Fixtures & Equipment	43,700	-	-	43,700	43,700
Total Property, Plant & Equip.	<u>11,028,256</u>	<u>3,116,511</u>	<u>-</u>	<u>14,144,767</u>	<u>14,149,767</u>
Less Accumulated Depreciation	<u>(1,251,670)</u>	<u>-</u>	<u>-</u>	<u>(1,251,670)</u>	<u>(1,186,388)</u>
<b>Net Property, Plant &amp; Equip.</b>	<b><u>9,776,586</u></b>	<b><u>3,116,511</u></b>	<b><u>-</u></b>	<b><u>12,893,097</u></b>	<b><u>12,963,379</u></b>
Loans Receivable - Noncurrent	800,052	117,092	-	917,144	1,041,720
Land Options	-	5,000	-	5,000	-
Equity Investment in GAB, LLC	3,220,240	-	(3,220,240)	-	-
<b>Other Assets</b>	<b><u>4,020,292</u></b>	<b><u>122,092</u></b>	<b><u>(3,220,240)</u></b>	<b><u>922,144</u></b>	<b><u>1,041,720</u></b>
<b>TOTAL ASSETS</b>	<b><u>16,382,081</u></b>	<b><u>3,401,904</u></b>	<b><u>(3,220,240)</u></b>	<b><u>16,563,745</u></b>	<b><u>16,806,779</u></b>
<b>LIABILITIES:</b>					
Accounts Payable	31,677	-	-	31,677	71,284
Unearned Revenue	9,648	-	-	9,648	45,411
Security Deposits	108,680	-	-	108,680	108,680
Loans Payable - Current Portion	69,011	-	-	69,011	68,085
Loan Payable - Noncurrent Portion	285,949	-	-	285,949	274,417
<b>Total Current Liabilities</b>	<b><u>504,965</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>504,965</u></b>	<b><u>567,877</u></b>
Loans Payable - Noncurrent Portion	2,539,490	-	-	2,539,490	2,562,809
Bonds Payable - Noncurrent Portion	3,370,220	-	-	3,370,220	3,594,297
<b>Total Noncurrent Liabilities</b>	<b><u>5,909,710</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>5,909,710</u></b>	<b><u>6,157,106</u></b>
<b>TOTAL LIABILITIES</b>	<b><u>6,414,675</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>6,414,675</u></b>	<b><u>6,724,983</u></b>
<b>EQUITY</b>	<b><u>\$ 9,967,406</u></b>	<b><u>\$ 3,401,904</u></b>	<b><u>\$ (3,220,240)</u></b>	<b><u>\$ 10,149,070</u></b>	<b><u>\$ 10,081,796</u></b>

(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.**  
**April 2017 Dashboard**  
**Profit & Loss - Accrual Basis**

	<u>GGLDC</u>	<u>GABLLC</u>	<u>Eliminations</u>	<u>COMBINED</u>	
	<u>4/30/17</u>	<u>4/30/17</u>		<u>4/30/17</u>	<u>YTD</u>
<b><u>Operating Revenues:</u></b>					
Grants	\$ -	\$ -	\$ -	\$ -	\$ 205,780
Interest Income on Loans	2,854	-	-	2,854	11,630
Rent	55,641	-	-	55,641	222,563
Fees	250	-	-	250	250
Other Revenue	552	-	-	552	6,781
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Total Operating Revenues	59,297	-	-	59,297	447,004
<b><u>Operating Expenses:</u></b>					
Operations & Maintenance	7,870	-	-	7,870	48,163
Professional Services	20,195	-	-	20,195	45,861
Econ. Dev. Program Support Grant	25,000	-	-	25,000	100,000
Depreciation	16,320	-	-	16,320	65,282
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Total Operating Expenses	69,385	-	-	69,385	259,306
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<b>Operating Revenue (Expense)</b>	<b>(10,088)</b>	<b>-</b>	<b>-</b>	<b>(10,088)</b>	<b>187,698</b>
<b><u>Non-Operating Revenues (Expenses):</u></b>					
Other Interest Income	101	1	-	102	428
Interest Expense	(22,529)	-	-	(22,529)	(120,852)
<b>Total Non-Operating Expenses</b>	<b>(22,428)</b>	<b>1</b>	<b>-</b>	<b>(22,427)</b>	<b>(120,424)</b>
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<b>Change in Net Assets</b>	<b>(32,516)</b>	<b>1</b>	<b>-</b>	<b>(32,515)</b>	<b>67,274</b>
<b>Net Assets - Beginning</b>	<b>9,999,922</b>	<b>3,401,903</b>	<b>(3,220,240)</b>	<b>10,181,585</b>	<b>10,081,796</b>
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<b>Net Assets - Ending</b>	<b>\$ 9,967,406</b>	<b>\$ 3,401,904</b>	<b>\$ (3,220,240)</b>	<b>\$ 10,149,070</b>	<b>\$ 10,149,070</b>
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