



Meeting Agenda – Audit and Finance Committee
 Genesee Gateway Local Development Corp.
 Tuesday, January 31, 2017
 Location: GCEDC Conference Room, 3:00 p.m.

Page #	Topic	Discussion Leader	Desired Outcome
	1. Call To Order – Enter Public Session	T. Felton	
	2. Chairman's Report & Activities 2a. Agenda Additions / Other Business	T. Felton	
	3. Discussions / Official Recommendations to the Board:		
2-7	3a. December 2016 Unaudited Financial Statements	L. Farrell	Disc / Vote
8-9	3b. Strategic Investments Review	L. Farrell	Discussion
	4. Adjournment	T. Felton	Vote

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**Genesee Gateway Local Development Corp.
December 2016 UNAUDITED Dashboard
Balance Sheet - Accrual Basis**

	<u>12/31/16</u>	<u>11/30/16</u>	<u>[Per Audit] 12/31/15</u>
ASSETS:			
Cash - Unrestricted	\$ 253,536	\$ 224,235	\$ 211,269
Cash - Restricted (A)	601,448	599,893	513,991
Cash - Reserved (B)(1)	1,287,718	1,353,080	1,080,497
Cash - Subtotal	2,142,702	2,177,208	1,805,757
Grants Receivable (2)	84,417	29,463	532,870
Accounts Receivable	-	-	12,107
Loans Receivable - Current Portion (3)	423,775	406,546	261,544
Loan Receivable - GCEDC	-	-	180,790
Other Current Assets (4)	905	1,356	1,958
Total Current Assets	2,651,799	2,614,573	2,795,026
Land Held for Dev. & Resale	3,857,780	3,855,997	3,788,635
Buildings & Improvements	7,126,776	7,123,126	7,123,126
Furniture, Fixtures & Equipment	43,700	43,700	41,550
Total Property, Plant & Equip.	11,028,256	11,022,823	10,953,311
Less Accumulated Depreciation	(1,186,387)	(1,170,108)	(990,992)
Net Property, Plant & Equip.	9,841,869	9,852,715	9,962,319
Loans Receivable - Noncurrent Portion (Net of \$149,438 Allow for Bad Debt at 12/31/16 and \$141,105 at 11/30/16) (3)	924,627	963,892	642,275
Equity Investment in Genesee Agri-Business, LLC (5)	3,220,240	3,220,240	3,220,240
Other Assets	4,144,867	4,184,132	3,862,515
Total Assets	16,638,535	16,651,420	16,619,860
LIABILITIES:			
Accounts Payable	69,007	63,289	37,979
Line of Credit (6)	-	-	188,344
Unearned Revenue (7)	54,145	19,065	54,662
Security Deposits	108,680	108,680	108,680
Accrued Expenses	-	-	4,165
Loan Payable - GCEDC	-	-	121,913
Loans Payable - Current Portion	68,098	67,872	65,434
Bonds Payable - Current Portion	278,205	278,947	264,243
Total Current Liabilities	578,135	537,853	845,420
Loans Payable - Noncurrent Portion	2,562,795	2,568,573	2,630,878
Bonds Payable - Noncurrent Portion	3,590,508	3,600,063	3,878,695
Total Noncurrent Liabilities	6,153,303	6,168,636	6,509,573
Total Liabilities	6,731,438	6,706,489	7,354,993
EQUITY	\$ 9,907,097	\$ 9,944,931	\$ 9,264,867

Significant Events:

1. Cash - Reserved - \$304.5K EDA grant funds received in November as reimbursement for GVAB improvements.
2. Grants Receivable - Received \$304.5K in November from EDA which reimbursed for GVAB improvements; Received \$75K from ESD grant (X544) in August which reimbursed for STAMP professional services and marketing expenses; National Grid grant will reimburse BETP improvements; DHCR will support US Gypsum project.
3. Loans Receivable (Current & Noncurrent portion) - two loans to PW Minor disbursed in March and August, \$475K and \$259K respectively.
4. Other Current Assets - prepaid D&O Insurance.

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5. Equity Investment in Genesee Agri-Business, LLC - ties to corresponding GAB,LLC financial statements.
 6. Line of Credit funds paid STAMP professional services - to be reimbursed by ESD grant funds; repaid in full in August.
 7. Unearned Revenue - LeRoy/Bergen America's Best Community grant & Workforce Development grant funds received, but not yet expended/earned; MedTech Centre rents received in advance.
- (A) Restricted = Community Benefit Agreement (CBA) Funds, Security Deposits, USDA Debt Sinking Fund; Grant funds.
- (B) Reserved = OCR loan repayments, Strategic Investment Funds, Economic Development Loan Funds, Batavia Micropolitan Area Redevelopment Loan Funds.

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**Genesee Gateway Local Development Corp.
December 2016 UNAUDITED Dashboard
Profit & Loss - Accrual Basis**

	Month to Date		YTD		2016	2016
	12/31/16	12/31/15	2016	2015	Board Approved Budget	YTD % of Budget
Operating Revenues:						
Grants (1)	\$ 54,954	\$ 150,474	\$ 1,149,064	\$ 1,209,235	\$ 1,216,210	94%
Interest Income on Loans	2,994	7,546	37,940	40,197	39,428	96%
Rent	57,826	55,642	672,902	668,239	671,641	100%
Fees	-	-	250	2,750	-	N/A
Other Revenue	-	-	2,367	8,340	500	473%
Total Operating Revenues	115,774	213,662	1,862,523	1,928,761	1,927,779	
Operating Expenses:						
Operations & Maintenance	9,272	16,469	105,247	161,712	131,957	80%
Professional Services	28,178	61,790	154,615	256,931	324,666	48%
Econ. Dev. Prog. Support Grant	25,000	25,000	300,000	300,000	300,000	100%
Site Development Expense	-	81,475	-	442,462	-	N/A
Bad Debt Expense (2)	8,335	-	100,000	-	-	N/A
Grant Expense	45,000	-	45,000	-	367,000	N/A
Real Estate Dev. (Capitalized)	5,433	31,281	72,796	71,124	16,104	452%
Furniture & Equip. (Capitalized)	-	-	2,150	-	2,150	100%
Balance Sheet Absorption	(5,433)	(31,281)	(74,946)	(71,124)	(16,104)	465%
Depreciation	16,279	24,798	195,395	194,716	186,100	105%
Total Operating Expenses	132,064	209,532	900,257	1,355,821	1,311,873	
Operating Revenue (Loss)	(16,290)	4,130	962,266	572,940	615,906	
Non-Operating Revenues (Expenses):						
Other Interest Income	111	139	1,105	690	650	170%
Interest Expense	(21,655)	(26,558)	(321,141)	(337,763)	(324,917)	99%
Total Non-Operating Exp.	(21,544)	(26,419)	(320,036)	(337,073)	(324,267)	
Change in Net Assets	(37,834)	(22,289)	642,230	235,867	\$ 291,639	
Net Assets - Beginning	9,944,931	9,287,156	9,264,867	9,029,000		
Net Assets - Ending	\$ 9,907,097	\$ 9,264,867	\$ 9,907,097	\$ 9,264,867		

Significant Events:

1. Grants Revenue - DHCR Grant that supports US Gypsum project; YTD includes \$93K Community Benefit Agreement payment in October; DHCR Grant that supports Route 5 improvements at Buffalo East Tech Park (\$48.8K); \$734K DHCR Grant that supports loan to PW Minor; \$205K PIF from County (revd thru GCEDC) supporting Ag Park improvements (pays bond principal and interest); DHCR and PIF Grant Revenue recorded with no corresponding expense drive Operating Revenue.
2. Bad Debt Expense - The Audit & Finance Committee reviewed outstanding loans receivable in March 2016 and determined that an increase of \$100,000 to the Allowance for Bad Debt is appropriate. The increase is to be recognized evenly throughout the year.

Genesee Gateway Local Development Corp.
December 2016 UNAUDITED Dashboard
Statement of Cash Flows

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	December 2016	YTD
CASH PROVIDED BY OPERATING ACTIVITIES:		
Grant Income	\$ -	\$ 1,597,048
Interest Income on Loans	2,318	48,626
Rental Income	93,582	672,896
Fees	-	250
Other Revenue	-	2,367
Operations & Maintenance Expense	(5,529)	(103,717)
Professional Services	(24,402)	(169,715)
Economic Development Program Support Grant	(75,000)	(300,000)
Site Development Expense	-	(1,620)
Improvements of Land Held for Dev. & Resale	(1,783)	(69,145)
Issuance of Loans	-	(734,000)
Repayment of Loans	13,701	370,207
Net Cash Provided By Operating Activities	2,887	1,313,197
CASH FLOWS USED BY CAPITAL & RELATED FINANCING ACTIVITIES:		
Line of Credit Activity - Net	-	(188,344)
Principal Payments on Bonds & Loans	(15,849)	(461,557)
Interest Paid on Bonds & Loans	(21,655)	(325,306)
Purchase/Improvements of Property, Plant & Equipment	-	(2,150)
Net Cash Used By Capital & Related Financing Activities	(37,504)	(977,357)
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES:		
Interest Income	111	1,105
Net Cash Provided By Investing Activities	111	1,105
Net Change in Cash	(34,506)	336,945
Cash - Beginning of Period	2,177,208	1,805,757
Cash - End of Period	\$ 2,142,702	\$ 2,142,702
RECONCILIATION OF OPERATING REVENUE (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Revenue (Loss)	\$ (16,290)	\$ 962,266
Adjustments:		
Depreciation Expense	16,279	195,395
Increase in Land Held For Dev. & Resale	(1,783)	(69,145)
(Increase) Decrease in Grants/Accounts Receivable	(54,954)	460,560
Decrease in Other Current Assets	451	1,053
Decrease (Increase) in Loans Receivable	22,036	(263,793)
Increase in Operating Accounts Payable	2,068	27,378
Increase (Decrease) in Unearned Revenue	35,080	(517)
Total Adjustments	19,177	350,931
Net Cash Provided By Operating Activities	\$ 2,887	\$ 1,313,197

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Genesee Gateway Local Development Corp.
December 2016 UNAUDITED Dashboard
Balance Sheet - Accrual Basis

	GGLDC 12/31/16	GABLLC 12/31/16	Eliminations	COMBINED	
				12/31/16	Per Audit 12/31/2015
ASSETS:					
Cash - Unrestricted	\$ 253,536	\$ -	\$ -	\$ 253,536	\$ 211,269
Cash - Restricted (A)	601,448	-	-	601,448	513,991
Cash - Reserved (B)	1,287,718	56,224	-	1,343,942	1,209,849
Cash - Subtotal	<u>2,142,702</u>	<u>56,224</u>	<u>-</u>	<u>2,198,926</u>	<u>1,935,109</u>
Grants Receivable	84,417	-	-	84,417	532,870
Accts Receivable - Current	-	-	-	-	12,107
Loans Receivable - Current	423,775	113,976	-	537,751	372,487
Loan Receivable - GCEDC	-	-	-	-	180,790
Other Current Assets	905	-	-	905	1,958
Total Current Assets	<u>2,651,799</u>	<u>170,200</u>	<u>-</u>	<u>2,821,999</u>	<u>3,035,321</u>
Land & Improvements	3,857,780	3,116,511	-	6,974,291	6,905,146
Buildings & Improvements	7,126,776	-	-	7,126,776	7,123,126
Furniture, Fixtures & Equipment	43,700	-	-	43,700	41,550
Total Property, Plant & Equip.	11,028,256	3,116,511	-	14,144,767	14,069,822
Less Accumulated Depreciation	(1,186,387)	-	-	(1,186,387)	(990,992)
Net Property, Plant & Equip.	<u>9,841,869</u>	<u>3,116,511</u>	<u>-</u>	<u>12,958,380</u>	<u>13,078,830</u>
Loans Receivable - Noncurrent	924,627	117,091	-	1,041,718	642,275
Land Options	-	5,000	-	5,000	5,000
Deferred Interest	-	-	-	-	1,554
Equity Investment in GAB, LLC	3,220,240	-	(3,220,240)	-	-
Other Assets	<u>4,144,867</u>	<u>122,091</u>	<u>(3,220,240)</u>	<u>1,046,718</u>	<u>648,829</u>
TOTAL ASSETS	<u>16,638,535</u>	<u>3,408,802</u>	<u>(3,220,240)</u>	<u>16,827,097</u>	<u>16,762,980</u>
LIABILITIES:					
Accounts Payable	69,007	-	-	69,007	37,979
Line of Credit	-	-	-	-	188,344
Unearned Revenue	54,145	-	-	54,145	54,662
Security Deposits	108,680	-	-	108,680	108,680
Accrued Expenses	-	-	-	-	4,165
Loans Payable - GCEDC	-	-	-	-	121,913
Loans Payable - Current Portion	68,098	-	-	68,098	65,434
Bonds Payable - Noncurrent Portion	278,205	-	-	278,205	264,243
Note Payable - Frank Perry	-	-	-	-	50,000
Note Payable - Partridge	-	-	-	-	129,761
Total Current Liabilities	<u>578,135</u>	<u>-</u>	<u>-</u>	<u>578,135</u>	<u>1,025,181</u>
Loans Payable - Noncurrent Portion	2,562,795	-	-	2,562,795	2,630,878
Bonds Payable - Noncurrent Portion	3,590,508	-	-	3,590,508	3,878,695
Total Noncurrent Liabilities	<u>6,153,303</u>	<u>-</u>	<u>-</u>	<u>6,153,303</u>	<u>6,509,573</u>
TOTAL LIABILITIES	<u>6,731,438</u>	<u>-</u>	<u>-</u>	<u>6,731,438</u>	<u>7,534,754</u>
EQUITY	<u>\$ 9,907,097</u>	<u>\$ 3,408,802</u>	<u>\$ (3,220,240)</u>	<u>\$ 10,095,659</u>	<u>\$ 9,228,226</u>

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

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**Genesee Gateway Local Development Corp.
December 2016 UNAUDITED Dashboard
Profit & Loss - Accrual Basis**

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	GGLDC	GABLLC	Eliminations	COMBINED	
	12/31/16	12/31/16		12/31/16	YTD
<u>Operating Revenues:</u>					
Grants	\$ 54,954	\$ -	\$ -	\$ 54,954	\$ 1,055,819
Interest Income on Loans	2,994	-	-	2,994	31,850
Rent	57,826	-	-	57,826	561,199
Fees	-	-	-	-	250
Other Revenue	-	-	-	-	7,867
Total Operating Revenues	115,774	-	-	115,774	1,656,985
<u>Operating Expenses:</u>					
Operations & Maintenance	9,272	-	-	9,272	104,362
Professional Services	28,178	2,485	-	30,663	139,408
Econ. Dev. Program Support Grant	25,000	-	-	25,000	250,000
Site Development Expense	-	-	-	-	-
Bad Debt Expense	8,335	-	-	8,335	83,334
Grant Expense	45,000	-	-	-	-
Real Estate Development (Capitalized)	5,433	-	-	5,433	72,796
Furniture & Equipment (Capitalized)	-	-	-	-	2,150
Balance Sheet Absorption	(5,433)	-	-	(5,433)	(74,946)
Depreciation	16,279	-	-	16,279	162,799
Total Operating Expenses	132,064	2,485	-	89,549	739,903
Operating Revenue (Loss)	(16,290)	(2,485)	-	(18,775)	917,082
<u>Non-Operating Revenues (Expenses):</u>					
Other Interest Income	111	2	-	113	10,290
Interest Expense	(21,655)	-	-	(21,655)	(280,596)
Total Non-Operating Expenses	(21,544)	2	-	(21,542)	(270,306)
Change in Net Assets	(37,834)	(2,483)	-	(40,317)	646,776
Net Assets - Beginning	9,944,931	3,411,285	(3,220,240)	10,135,976	9,967,912
Net Assets - Ending	\$ 9,907,097	\$ 3,408,802	\$ (3,220,240)	\$ 10,095,659	\$ 10,614,687

Genesee Gateway Local Development Corp. (GGLDC)

Strategic Investments - SUMMARY

Fiscal Years 2016 - 2020

	2016	2017	2018	2019	2020	5 Yr Totals:	Brd Approval to Committed Investment Status	Comments
Sources of Funds: Available for GGLDC Project Investments & Operations Support								
Opening GGLDC "Reserved for Strategic Investments" Cash Balances	1,042,379	666,975	643,866	577,842	274,387	1,042,379		
NYS Homes & Community Renewal Loan Repayments	120,233	355,599	212,684	95,545	95,545	879,606		Includes loan repayments from: Yancey's Fancy, OATKA Milk, First Wave Technologies (as revised January 2016), Alpina (final pmt rcvd in 2015), 2016 forward includes PW Minor
Allowance for Bad Debt		(100,000)				(100,000)		First Wave lump sum payment due 1/1/17 [Does not include new terms proposed]
Alpina 2014 Land Sale - Net Proceeds	120,292	120,292	120,292	-	-	360,876		10 acres
Other:						-		
Internal Borrowings/Repayments - Due to Strategic Investment Funds	304,510				136,105	440,615		Borrowed from and to be repaid to strategic investment funds - used to cover timing gap with STAMP, Ag Park & BETP expenses due to reimbursement-based grants; Will be repaid as funds become available.
Total Sources of Funds	1,587,414	1,042,866	976,842	673,387	506,037	2,623,476		
Uses: Strategic and Operational Investments:								
Real-Estate Development / Shovel-Ready Site Development Related:								
						5 Yr Totals:		Comments
GVAB Ag Park Phase II: (Additional Land Purchase Costs)	(134,965)					(134,965)	Dec 2012	Board approved purchase of property in December 2012. This purchase was discussed using Strategic Investment Funds and has been presented that way. However, no formal vote was taken to change from "Directional" to "Committed".
GVAB Debt Service - Frank Perry Note Payable - GABLLC	(50,000)					(50,000)		Note Payable related to purchase of 200 acres at Ag Park in 2008
STAMP STAMP Track 1 Infrastructure (\$33M Funding) - Loans to GCEDC to cover timing gap	-					-	Aug/Oct 2014	\$212k loan to EDC in Aug. '14 / \$200k loan to EDC approved in Oct. '14 [\$125K loaned to date; \$75K balance could be loaned if necessary] - to be repaid when \$33M funding is released & accessible.
STAMP STAMP Track 1 Infrastructure (\$33M Funding) - Loans to GCEDC to cover timing gap - REPMTS	193,456					193,456		see above
Other Reserved Funds: Batavia Micropolitan Area Community Redevelopment Fund - Actual						-	July 2013	\$500,000 Housing Directional investment repurposed to a committed investment for the purpose of establishing the Batavia Micropolitan Area Redevelopment Fund [\$100K loaned in 2014; no applications currently]. [Amount reserved includes interest earned on reserved funds.]
Other Reserved Funds: Batavia Micropolitan Area Community Redevelopment Fund - Reserved	(400,479)					(400,479)		
Other Reserved Funds: Shovel-Ready / MedTech Centre Reserve					(500,000)	(500,000)	Placeholder	Reserve established for future shovel-ready requirements @ MedTech Centre
Subtotal Real-Estate Development / Shovel-Ready Site Development	(391,988)	-	-	-	(500,000)	(891,988)		
Economic Development Program Support:								
Economic Development Program Grant (GGLDC to GCEDC)	(300,000)	(300,000)	(300,000)	(300,000)		(1,200,000)		Oct 2012; Agenda item 10a.6 - Board approved to commit funding at \$300k (2013), \$400k (2014), \$400k (2015). Oct 2015; \$300k (2016); \$300k (2017) Approvals necessary for 2018 forward.

Genesee Gateway Local Development Corp. (GGLDC)

Strategic Investments - SUMMARY

Fiscal Years 2016 - 2020

	2016	2017	2018	2019	2020	5 Yr Totals:	Brd Approval to Committed Investment Status	Comments
LDC Operations Costs & Site Infrastructure Maint. (excluding MTC)	(66,940)	(75,000)	(75,000)	(75,000)	(75,000)	(366,940)	Memo	Memo Only - Funds insurance, mowing, Fire District fees, GGLDC audit fee and other misc operating expenses (unreimbursable H. Sicherman services, GABLLC operating expenses).
Subtotal Investments in Economic Development Program	(366,940)	(375,000)	(375,000)	(375,000)	(75,000)	(1,566,940)		
Strategy, Workforce Development & Entrepreneurship:								
Workforce Development Consultant	(29,674)	(30,000)	(30,000)	(30,000)	(30,000)	(149,674)	Oct 2012; Agenda item 10a.13	Board authorized - continued efforts for workforce development consultant as critical pillar to GCEDC/GGLDC Tech Based Economic Development Model. Any eligible funding secured will be used to offset this appropriation/funding [\$30k/yr 2012-2014] [\$30k 2015] [Contract runs Aug-Aug; Current contract ends Aug 2017; Future approvals necessary to extend commitment beyond current contract.]
Workforce Development Grant - National Fuel	4,590					4,590		Recognition of National Fuel Grant Revenue - covers portion of WFD Prof. Contract Cost to convert First Wave Tech warrants to common stock in case of liquidity event [EDC \$30k / LDC \$29,698]
First Wave Tech Warrant Conversion Reserve / Bad Debt Reserve					(59,698)	(59,698)	Placeholder	
Subtotal Workforce Development & Entrepreneurship Investments	\$ (25,084)	\$ (30,000)	\$ (30,000)	\$ (30,000)	\$ (89,698)	(204,782)		
Other Cash Activity:								
Common Area Charges - GVAB & BETP	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	30,000		
Internal (Borrowings) Repayments - thru date of worksheet	\$ (143,144)					(143,144)		
Interest Income	\$ 717					717		
Subtotal - Other	\$ (136,427)	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	(112,427)		
Total Uses of Funds	(920,439)	(399,000)	(399,000)	(399,000)	(658,698)	(2,776,137)		
Cumulative Year-End Cash Balances	666,975	643,866	577,842	274,387	(152,661)	(152,661)		
Opportunities:								
DOL MedTech Centre Reserve (\$500K) could be removed in the future.								
Grant funds to cover a portion of Workforce Development Consultant expenses.								
Ag Park land sale 10 acres @ \$75,000/acre - PSA sent to company.								
Risks:								
First Wave Technologies - Repayment of OCR loan								

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