



Meeting Agenda – Audit and Finance Committee

Genesee County Economic Development Center

Thursday, August 22, 2019

Location: Innovation Zone Conference Room, 3:00 p.m.

Page #	Topic	Discussion Leader	Desired Outcome
	1. Call to Order – Enter Public Session	M. Gray	
	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	2. Chairman’s Report & Activities 2a. Agenda Additions / Deletions / Other Business 2b. Minutes: July 9, 2019	M. Gray	Vote
6-9	3. Discussions / Official Recommendations to the Board: 3a. June 2019 Financial Statements 3b. 2020 Budget Inputs / Assumptions	L. Farrell L. Farrell	Disc / Vote Discussion
	4. Adjournment	M. Gray	Vote

GCEDC Audit & Finance Committee Meeting**Tuesday, July 9, 2019****Innovation Zone Conference Room****8:30 a.m.****MINUTES****ATTENDANCE**

Committee Members: M. Gray, A. Young, T. Bender
 Staff: S. Hyde (via phone), L. Farrell, M. Masse, E. Richardson, P. Kennett
 Guests: T. Felton (GGLDC Board member), D. Cunningham (GGLDC Board member)
 Absent: P. Battaglia

1. CALL TO ORDER / ENTER PUBLIC SESSION

M. Gray called the meeting to order at 8:31 a.m. in the GCEDC Andrews Conference Room.

1a. Executive Session:

T. Bender made a motion to enter executive session at 8:31 a.m. under the Public Officers Law, Article 7, Open Meetings Law Section 105 for the following reasons, seconded by A. Young and approved by all members present:

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.
2. The proposed acquisition, sale or lease of real property or the proposed acquisition of securities, or sale or exchange for securities held by such public body, but only when publicity would substantially affect the value thereof.

1b. Re-Enter Public Session – T. Bender made a motion to enter back into public session at 8:40 a.m., seconded by A. Young and approved by all members present.

2. CHAIRMAN'S REPORT & ACTIVITIES:

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

2b. Meeting Minutes: June 6, 2019

A. Young made a motion to approve the June 6, 2019 meeting minutes as presented; the motion was seconded by A. Young. Roll call resulted as follows:

P. Battaglia - Absent
 M. Gray - Yes
 T. Bender - Yes
 A. Young - Yes

The item was approved as presented.

3. DISCUSSIONS / OFFICIAL RECOMMENDATIONS OF THE COMMITTEE:

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

- Restricted cash and Unearned Revenue decreased by approx. \$400K as STAMP expenditures were made.
- Accounts Receivable increased as this month’s Economic Development Program Support Grant and MedTech Centre Management Fee were recorded.
- Accrued Expenses increased as the monthly NYS Retirement expense was recognized.
- Project Origination Fees were received from 3 projects that closed this month.
- All expenditures are in line with the budget except as noted.

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

- P. Battaglia - Absent
- M. Gray - Yes
- T. Bender - Yes
- A. Young - Yes

The item was approved as presented.

3b. \$33M STAMP Grant Review YTD – L. Farrell reviewed with the Committee the status of the \$33M ESD Grant. The first 16 Grant Utilization Request Forms (GURF) have been submitted and authorization has been received to release those funds. The requests have taken approx. 3-5 days to receive approval. The staff will be preparing GURF #17 this week.

3c. Assessment of Internal Controls – L. Farrell shared that Public Authorities Law requires all public authorities to complete an annual assessment of the effectiveness of their internal control structures and procedures.

The meeting packets included the latest version of the GCEDC’s detailed internal control narrative that is given to the independent auditors each year. A list of vendors that can be paid online is included as part of the narrative.

The 2019 Assessment of the Effectiveness of Internal Controls identifies and summarizes the controls in place for major business functions. An internal controls assessment was also completed by the GCEDC’s auditors during the annual audit. There were no internal control weaknesses identified at that time.

It was suggested to add Bank of Castile and Five Star Bank to the list of vendors to be paid online.

T. Bender made a motion to approve the Assessment of Internal Controls and the list of vendors to be paid online; the motion was seconded by A. Young. Roll call resulted as follows:

- P. Battaglia - Absent
- M. Gray - Yes
- T. Bender - Yes
- A. Young - Yes

The item was approved as presented.

3d. Copier Lease – The staff collected quotes from 4 distributors as our current copier lease is set to expire soon. After comparing all the quotes received, it is the staff’s recommendation to enter into an agreement with Toshiba for a 63-month copier Lease at a rate of \$141.30/month plus \$.039/color page and \$.0059/black and white page. This copier will also allow the staff to work towards paperless filing.

A. Young made a motion to recommend approval of a contract with Toshiba for the copier lease as presented; the motion was seconded by T. Bender. Roll call resulted as follows:

- P. Battaglia - Absent
- M. Gray - Yes
- T. Bender - Yes
- A. Young - Yes

The item was approved as presented.

3e. Clark Patterson Lee Contract – Corfu Wastewater Treatment Facility (WWTF) Expansion Project Bidding – Clark Patterson Lee has completed the design and engineering of the Corfu WWTF expansion and NYSDEC has issued a draft SPDEs permit. The GGLDC/GCEDC/Town of Pembroke are now seeking to go out to bid for the project. Clark Patterson Lee has a proposed contract not to exceed \$10,000 for the preparation of the bid packet. This cost will be split 50% by the Town of Pembroke and 50% by the GGLDC/GCEDC (funded by BETP restricted funds).

A. Young made a motion to recommend approval of the contract with Clark Patterson Lee to prepare the bidding packet for the WWTF expansion not to exceed \$10,000, split 50/50 with the Town of Pembroke (expenditure not to exceed \$5,000); the motion was seconded by T. Bender. Roll call resulted as follows:

- P. Battaglia - Absent
- M. Gray - Yes
- T. Bender - Yes
- A. Young - Yes

The item was approved as presented.

P. Battaglia joined the meeting at 9:03 am.

3f. Park Signage – Apple Tree Acres and LeRoy Food & Tech Park – The GCEDC requested bids to create and install park signage at Apple Tree Acres and LeRoy Food & Technology Park. The specifics are as follows:

1. Apple Tree Acres – One 4’x8’ free standing sign with movable 4x4 frame. “GCEDC Acreage Available Call 585-343-4866”
2. LeRoy Food & Tech Park – Two 4’x8’ free standing signs with movable 4x4 frame. “GCEDC Acreage Available Call 585-343-4866”

Bids Received:

1. Leaton Signs - \$600 per sign
2. Johns Studio - \$750 per sign
3. Terry’s Signs - \$559 plus 4x4’s, misc. hardware, etc. per sign.

This expenditure is included in the 2019 budget. The Committee decided to go with Leaton Signs instead of the low bidder as the low bidder (Terry's Signs) was considered an incomplete bid and Leaton Signs was an all-inclusive bid.

A. Young made a motion to recommend approval of an expenditure not to exceed \$1,800 to Leaton Signs for the installation of signage at Apple Tree Acres and LeRoy Food & Tech Park; the motion was seconded by T. Bender. Roll call resulted as follows:

P. Battaglia - Yes
M. Gray - Yes
T. Bender - Yes
A. Young - Yes

The item was approved as presented.

4. ADJOURNMENT

As there was no further business, T. Bender made a motion to adjourn at 9:05 a.m., seconded by A. Young and passed unanimously.

**Genesee County Economic Development Center
Dashboard - June 2019
Balance Sheet - Accrual Basis**

DRAFT

	<u>6/30/19</u>	<u>5/31/19</u>	[Per Audit] <u>12/31/18</u>
ASSETS:			
Cash - Unrestricted	1,260,511 \$	1,333,615 \$	1,464,008
Cash - Restricted (A)(1)	10,923,629	11,270,344	12,493,673
Cash - Reserved (B)	790,160	790,447	483,461
Cash - Subtotal	12,974,300	13,394,406	14,441,142
Grants Receivable (2)	312,395	302,123	598,982
Accts Receivable- Current (3)	394,929	363,262	301,594
Deposits	2,832	2,832	2,832
Prepaid Expense(s) (4)	5,363	6,494	32,907
Loans Receivable - Current	40,779	40,745	40,576
Total Current Assets	13,730,598	14,109,862	15,418,033
Land Held for Dev. & Resale (5)	13,364,838	13,351,809	13,068,322
Furniture, Fixtures & Equipment	67,982	67,982	67,982
Total Property, Plant & Equip.	13,432,820	13,419,791	13,136,304
Less Accumulated Depreciation	(67,429)	(67,347)	(66,940)
Net Property, Plant & Equip.	13,365,391	13,352,444	13,069,364
Accts Receivable- Non-current (6)	838,940	838,940	858,940
Loans Receivable- Non-current (Net of \$47,429 Allow. for Bad Debt)	266,325	270,048	288,614
Other Assets	1,105,265	1,108,988	1,147,554
TOTAL ASSETS	28,201,254	28,571,294	29,634,951
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Outflows (10)	299,156	299,156	299,156
Deferred Outflows of Resources	299,156	299,156	299,156
LIABILITIES:			
Accounts Payable	7,101	7,491	507,960
Loan Payable - Genesee County - Current (7)	285,000	285,000	-
Accrued Expenses	24,389	16,594	8,846
Unearned Revenue (8)	8,217,394	8,562,610	9,065,078
Total Current Liabilities	8,533,884	8,871,695	9,581,884
Loans Payable - ESD (9)	5,196,487	5,196,487	5,196,487
Loan Payable - Genesee County - Noncurrent (7)	3,715,000	3,715,000	4,000,000
Aggregate Net Pension Liability (10)	92,211	92,211	92,211
Total Noncurrent Liabilities	9,003,698	9,003,698	9,288,698
TOTAL LIABILITIES	17,537,582	17,875,393	18,870,582
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Inflows (10)	347,764	347,764	347,764
Deferred Inflows of Resources	347,764	347,764	347,764
NET ASSETS	10,615,064 \$	10,647,293 \$	10,715,761

Significant Events:

1. Restricted Cash - ESD deposited \$15.1M into an imprest account related to the \$33M grant in January 2018. Expenditures out of this account are pre-authorized by ESD. In May 2018, the County remitted \$4M to the GCEDC per a Water Supply Agreement, to be 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. These funds are being used to pay qualifying expenditures.
2. Grants Receivable - Decrease from 12/31/18 is due to receipt of funds from ESD as reimbursement for land purchased at the LeRoy Food & Tech Park. The balance includes National Grid grants supporting the Rockefeller Institute Study and development at STAMP and the LeRoy Food & Tech Park.
3. Accounts Receivable (Current) - Econ. Dev. Program Support Grant; MedTech Centre Property Management; termed out Project Origination Fees from Rochester Gas & Electric and HP Hood to be collected in the next 12 months.
4. Prepaid Expense(s) - D&O insurance, Constant Contact, life insurance, long-term and short-term disability.
5. Land Held for Dev. & Resale - Additions are related to STAMP engineering, environmental, legal and demolition expenses.
6. Accounts Receivable - Non-current - Termed out Project Origination Fees from HP Hood that will not be collected within 12 months of the Balance Sheet date.
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 will make annual payments to the County of \$448,500 beginning in January 2020.
8. Unearned Revenue - Genesee County contribution received in advance; Funds received from municipalities to support park 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. Deferred Pension Outflows / Aggregate Net Pension Liability / Deferred Pension Inflows - Accounts related to implementation of GASB 68.

(A) Restricted Cash = Municipal Funds, Grant Funds Received in Advance, GAIN! Loan Funds, Genesee County Water Supply Agreement Funds.

(B) Reserved Cash = RLF #1 Funds (defederalized).

**Genesee County Economic Development Center
Dashboard - June 2019
Profit & Loss - Accrual Basis**

	Month to Date		YTD		2019 Board Approved Budget	2019 YTD % of Budget
	6/30/19	6/30/18	2019	2018		
<u>Operating Revenues:</u>						
Genesee County	\$ 19,459	\$ 16,126	\$ 116,755	\$ 96,756	\$ 233,513	50%
Fees - Project Participation	500	30,753	202,422	75,503	390,000	52%
Fees - Services	6,687	6,677	40,122	40,062	80,212	50%
Interest Income on Loans	302	412	1,857	2,684	3,619	51%
Rent	1,590	5,715	7,023	9,305	24,550	29%
Grants (1)	355,485	492,337	1,132,649	1,549,283	22,644,370	5%
GGLDC Grant- Econ. Dev. Program Support	25,000	25,000	150,000	150,000	300,000	50%
GCFC Grant - Econ. Dev. Program Support	-	-	-	20,000	-	N/A
Land Sale Proceeds	-	-	-	80,900	-	N/A
BP ² Revenue	157	-	735	-	26,068	3%
Other Revenue	-	423	5,081	6,760	5,008	101%
Total Operating Revenues	409,180	577,443	1,656,644	2,031,253	23,707,340	7%
<u>Operating Expenses</u>						
General & Admin	90,999	89,972	632,626	634,448	1,360,520	46%
Professional Services	1,590	29,042	44,640	85,385	108,000	41%
Site Maintenance/Repairs	577	390	2,527	2,340	12,400	20%
Property Taxes/Special District Fees	-	-	2,951	3,313	12,053	24%
BP ² Expense	-	-	-	-	25,119	0%
PIF Expense	-	-	14,714	14,560	68,463	21%
CBA Pass Through	-	-	205,125	205,780	205,780	100%
Site Development Expense (2)	349,351	449,019	639,326	984,428	602,958	106%
Cost of Land Sales	-	-	-	41,812	-	N/A
Real Estate Development (3)	13,029	61,168	296,516	321,179	21,767,669	1%
Balance Sheet Absorption	(13,029)	(61,168)	(296,516)	(321,179)	-	N/A
Total Operating Expenses	442,517	568,423	1,541,909	1,972,066	24,162,962	6%
Operating Revenue (Expense)	(33,337)	9,020	114,735	59,187	(455,622)	
<u>Non-Operating Revenue (Expense)</u>						
Other Interest Income	1,108	1,041	18,332	1,594	500	3666%
Interest Expense	-	-	-	-	-	N/A
Econ. Dev. Loan Fund (LDC/County)	-	-	(233,764)	-	-	N/A
Total Non-Operating Revenue (Expense)	1,108	1,041	(215,432)	1,594	500	-43086%
Change in Net Assets	(32,229)	10,061	(100,697)	60,781	\$ (455,122)	
Net Assets - Beginning	10,647,293	11,613,671	10,715,761	11,562,951		
Net Assets - Ending	\$ 10,615,064	\$ 11,623,732	\$ 10,615,064	\$ 11,623,732		

Significant Events:

1. Grants - \$205,780 Community Benefit Agreement payment dedicated to support development at the GVAB (pays annual principal & interest on bond); PIF from RJ Properties (Liberty Pumps) supports Apple Tree Acres Infrastructure improvements; PIF from Yancey's Fancy supports Infrastructure Fund Agreement with the Town of Pembroke; ESD \$33M Grant supports STAMP engineering, environmental, legal, infrastructure, etc.; Recognition of grant revenue from the Town of Pembroke as qualified expenditures are made; National Fuel Grant supporting workforce development initiatives.
2. Site Development Expense - Site development at Buffalo East Tech Park and the STAMP site, including improvements/infrastructure that will be dedicated.
3. Real Estate Development Costs - Includes STAMP engineering and professional services.

**Genesee County Economic Development Center
June 2019 Dashboard
Statement of Cash Flows**

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	June 2019	YTD
CASH FLOWS USED BY OPERATING ACTIVITIES:		
Genesee County	\$ 19,459	\$ 136,214
Fees - Project Origination	500	220,922
Fees - Services	-	20,061
Interest Income on Loans	299	1,619
Rent	1,590	7,023
Grants	-	553,611
BP ² Revenue	157	735
GGLDC Grant - Economic Development Program Support	-	75,000
Other Revenue	-	5,081
Repayment of Loans	3,689	22,086
General & Admin Expense	(83,398)	(596,207)
Professional Services	(1,590)	(49,136)
Site Maintenance/Repairs	(577)	(2,527)
Site Development	(349,351)	(928,113)
Property Taxes/Special District Fees	-	(2,951)
PIF Expense	-	(17,616)
CBA Pass-through	-	(205,125)
Improv/Additions/Adj to Land Held for Development & Resale	(13,029)	(493,881)
Net Cash Used By Operating Activities	(422,251)	(1,253,204)
CASH FLOWS USED BY NONCAPITAL FINANCING ACTIVITIES:		
Economic Development Loan Fund Expense (LDC/County)	-	(233,764)
Net Cash Used By Noncapital Financing Activities	-	(233,764)
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES:		
Interest Income	2,145	20,126
Net Change in Cash	(420,106)	(1,466,842)
Cash - Beginning of Period	13,394,406	14,441,142
Cash - End of Period	\$ 12,974,300	\$ 12,974,300
RECONCILIATION OF NET OPERATING REVENUE (EXPENSE) TO NET CASH USED BY OPERATING ACTIVITIES:		
Operating Revenue (Expense)	\$ (33,337)	\$ 114,735
Depreciation Expense	82	489
(Increase) Decrease in Accounts/Grants Receivable	(41,939)	213,252
Decrease in Prepaid Expenses	1,131	27,544
Decrease in Loans Receivable	3,689	22,086
Increase in Land Held for Development & Resale	(13,029)	(296,516)
Increase (Decrease) in Operating Accounts Payable	(1,427)	(502,653)
Increase in Accrued Expenses	7,795	15,543
Decrease in Unearned Revenue	(345,216)	(847,684)
Total Adjustments	(388,914)	(1,367,939)
Net Cash Used By Operating Activities	\$ (422,251)	\$ (1,253,204)