



Economic  
Development Center

**Meeting Agenda – Audit and Finance Committee**

Genesee County Economic Development Center

Tuesday, May 2, 2017

Location: GCEDC 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: <ol style="list-style-type: none"> <li>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.</li> <li>2. The proposed acquisition, sale or lease of real property or the proposed acquisition of securities, or sale or exchange of securities held by such public body, but only when publicity would substantially affect the value thereof.</li> </ol> 1b. Enter Public Session	M. Gray	
2-4	<b>2. Chairman's Report &amp; Activities</b> 2a. Agenda Additions / Other Business 2b. March 30, 2017	M. Gray	Vote
5	<b>3. Discussions / Official Recommendations to the Board:</b> 3a. \$33M STAMP Grant Draw Review YTD	L. Farrell	Discussion
6-9	3b. 1 <sup>st</sup> Quarter 2017 Financial Statements	L. Farrell	Disc / Vote
	3c. Public Work Enforcement Fund	L. Farrell	Discussion
10	3d. Mowing Contract for Corporate Parks	M. Masse	Disc/ Vote
	4. Adjournment	M. Gray	Vote



**Thursday, March 30, 2017  
GCEDC – Innovation Zone  
Audit & Finance Committee Meeting  
2:30 p.m.**

**MINUTES**

**ATTENDANCE**

Committee Members: P. Battaglia (Video Conference), M. Gray, M. Davis  
Staff: L. Farrell, M. Masse, P. Kennett, E. Richardson, S. Hyde, C. Suozzi  
Guests: H. Upson (GGLDC Board Member), Dennis Scott & David Brownell (Mostert, Manzanero & Scott, LLP), Britney Witkop (Junior’s Maple)  
Absent: P. Zeliff

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

M. Gray called the meeting to order at 3:00 p.m. in the Innovation Zone Conference Room.

**1a. Presentations –**

- 1. **Junior’s Maple: GAIN! Loan Fund Request** – C. Suozzi introduced Britney Witkop of Junior’s Maple. Junior’s Maple is a sole proprietorship that owns and operates a maple syrup production farm in Batavia, New York. The business has grown rapidly in the last three years. The farm started with 800 taps and has grown to 4,800 taps in that three year period. Junior’s Maple currently utilizes a wood fired evaporator, which is not energy efficient nor consistent in boiling. The loan funds will be used to purchase and install a Master oil evaporator system and fuel oil storage tank. The oil fired system will use less energy, and produce a higher grade of syrup. The system will also help the Company to expand and take on more taps to produce more syrup.

The Company is requesting a \$30,000 loan from the GAIN! Loan fund to purchase the new equipment. The term loan will have an interest rate of 1% per annum and will be amortized over 7 years. The loan will be secured by a first position lien filing against the piece of equipment being purchased as well as personal guarantees of the owners.

- 2. **12/31/16 Audit** – David Brownell and Dennis Scott of Mostert, Manzanero & Scott, LLP, attended the meeting to review the audit and to answer any questions that the Committee might have. The management letter states that no material deficiencies in internal controls were identified during the audit. In their opinion, the audited financial statements present fairly, in all material respects, the financial position of the GCEDC as of December 31, 2016 in accordance with accounting principles generally accepted in the United States of America. D. Scott reminded the Committee that last year per GASB 68 and 71, a new line item has been added to the statements for pension expense and will show up on the financial statements under deferred pension outflows and deferred pension inflows. D. Scott thanked the Committee for selecting them to provide audit services and noted that the level of professional staff that the organization has makes the process easier. He also mentioned that he was pleased to see that the Committee took the time to review the payment procedures and the allowance for doubtful accounts in detail during the year. D. Scott also reminded the Committee that the Financial Statements are prepared by L. Farrell and her staff. As auditors, their job is to review the statements for accuracy. After a thorough review of the audited financial statements, the Audit & Finance Committee recommends that the GCEDC 2016 audit be presented to the full board.

**M. Davis made a motion to recommend approval of the 12/31/16 Audit to the full Board; the motion was seconded by P. Battaglia. Roll call resulted as follows:**

P. Zeliff - Absent  
P. Battaglia - Yes (Video Conference)  
M. Gray - Yes  
M. Davis - Yes

**The item was approved as presented.**

**1b. Executive Session** – M. Davis made a motion to enter into the executive session under the Public Officers Law, Article 7, Open Meetings Law Section 105, at 3:37 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 P. Battaglia and approved by all members present.

**1c. Re-Enter Public Session** - P. Battaglia made a motion to enter back into public session at 4:00 p.m., seconded by M. Davis and approved by all members present.

**2. Chairman’s Report & Activities:**

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

**2b. February 28, 2017 Meeting Minutes** –

**P. Battaglia made a motion to approve the February 28, 2017 Meeting Minutes; the motion was seconded by M. Davis. Roll call resulted as follows:**

- P. Zelif - Absent
- P. Battaglia - Yes (Video Conference)
- M. Gray - Yes
- M. Davis - Yes

The item was approved as presented.

**3. Discussions / Official Recommendations of the Committee:**

**3a. \$33M STAMP Grant Draw Review YTD** – L. Farrell reviewed the \$33 million STAMP grant draws with the Committee. Currently there is a hold up on the reimbursement for line of credit interest from draw #3 and draw #4 totaling \$27,065. She does hope to see these funds soon.

**3b. Investment Report (PARIS Reporting)** – The Investment Report summarizes the GCEDC’s bank balances and interest income at 12/31/16. The report will be submitted into PARIS and posted on the GCEDC’s website.

**M. Davis made a motion to recommend approval of the Investment Report; the motion was seconded by P. Battaglia. Roll call resulted as follows:**

- P. Zelif - Absent
- P. Battaglia - Yes (Video Conference)
- M. Gray - Yes
- M. Davis - Yes

The item was approved as presented.

**3c. Procurement Report (PARIS Reporting)** – Public authorities are required to report all procurement transactions active during the reporting period that have an actual or estimated value of \$5,000 or more. This report will be submitted into the PARIS system and posted on the GCEDC’s website.

**P. Battaglia made a motion to recommend approval of the Procurement Report; the motion was seconded by M. Davis. Roll call resulted as follows:**

- P. Zelif - Absent
- P. Battaglia - Yes (Video Conference)
- M. Gray - Yes
- M. Davis - Yes

The item was approved as presented.

**3d. Junior's Maple – GAIN! Loan Fund Request** – M. Gray reminded the Committee that Britney Witkop presented to them at the beginning of the meeting and that the loan is not necessarily gap financing, but it does meet the GAIN! loan fund requirements. The company is looking for a \$30,000 loan to be used to purchase equipment that will allow them to produce more syrup, with a higher grade and use less energy. The loan will carry a 1% interest rate per annum and will be amortized over 7 years.

**M. Davis made a motion to recommend approval of Junior's Maple – GAIN! Loan Fund Request; the motion was seconded by P. Battaglia. Roll call resulted as follows:**

- P. Zelif - Absent
- P. Battaglia - Yes (Video Conference)
- M. Gray - Yes
- M. Davis - Yes

The item was approved as presented.

**4. ADJOURNMENT**

As there was no further business, P. Battaglia made a motion to adjourn at 4:06 p.m., seconded by M. Davis and passed unanimously.

3a

**\$33M STAMP Grant Draw Review YTD**

	<u>Draw #1</u>	<u>Draw #2</u>	<u>Draw #3</u>	<u>Draw #4</u>	<u>Draw #5</u>	<u>Draw #6</u>	<u>Draw #7</u>	<u>Draw #8</u>
Total ESD Draw Amount	\$ 1,461,100	\$ 358,859	\$ 919,463	\$ 171,435	\$ 120,625	\$ 293,914	\$ 521,813	\$ 98,451
Date ESD draw was requested:	4/22/2016	5/19/2016	8/19/2016	10/14/2016	11/7/2016	12/22/2016	2/27/2017	3/27/2017
Date ESD funds were received: Amount received:	8/5/2016 \$ 1,191,384	9/19/2016 \$ 158,859	12/14/2016 \$ 796,380	3/23/2017 \$ 167,360	3/23/2017 \$ 120,625			
Date ESD funds were received: Amount received:	8/16/2016 \$ 269,716	2/23/2017 \$ 200,000	2/23/2017 \$ 100,093					
Total ESD funds Received	\$ 1,461,100	\$ 358,859	\$ 896,473	\$ 167,360	\$ 120,625	\$ -	\$ -	\$ 98,451
Balance due to GCEDC:	\$ 0	\$ 0	\$ 22,990	\$ 4,075	\$ -	\$ 293,914	\$ 521,813	\$ 98,451

DRAFT

**Genesee County Economic Development Center  
Dashboard - For the Three Month Period Ended 3/31/17  
Balance Sheet - Accrual Basis**

	Three Month Period Ended <u>3/31/17</u>	[Per Audit] <u>12/31/16</u>
<b>ASSETS:</b>		
Cash - Unrestricted	\$ 645,450	\$ 824,837
Cash - Restricted (A)	756,361	794,261
Cash - Reserved (B)	699,965	696,089
Cash - Subtotal	2,101,776	2,315,187
Grants Receivable (1)	1,362,868	1,501,302
Accts Receivable- Current (2)	117,425	22,843
Deposits	2,832	2,832
Prepaid Expense(s) (3)	15,975	25,979
Loans Rec - Current (Net of \$37,028 Allow for Bad Debt) (4)	53,168	48,396
<b>Total Current Assets</b>	<b>3,654,044</b>	<b>3,916,539</b>
Land Held for Dev. & Resale (5)	11,874,829	11,465,926
Furniture, Fixtures & Equipment	67,982	67,982
Total Property, Plant & Equip.	11,942,811	11,533,908
Less Accumulated Depreciation	(64,604)	(64,237)
<b>Net Property, Plant &amp; Equip.</b>	<b>11,878,207</b>	<b>11,469,671</b>
Accts Receivable- Non-current (6)	40,000	60,000
Loans Receivable- Non-current (Net of \$48,948 Allow for Bad Debt) (4)	209,859	180,830
<b>Other Assets</b>	<b>249,859</b>	<b>240,830</b>
<b>TOTAL ASSETS</b>	<b>15,782,110</b>	<b>15,627,040</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Pension Outflows (11)	481,482	481,482
<b>Deferred Outflows of Resources</b>	<b>481,482</b>	<b>481,482</b>
<b>LIABILITIES:</b>		
Accounts Payable (7)	3,500	283,987
Line of Credit - Revolving (KB) (8)	914,679	681,991
Accrued Expenses	87	32,377
Unearned Revenue (9)	524,232	509,980
<b>Total Current Liabilities</b>	<b>1,442,498</b>	<b>1,508,335</b>
Loans Payable - ESD (10)	5,196,487	5,196,487
Aggregate Net Pension Liability (11)	476,328	476,328
<b>Total Noncurrent Liabilities</b>	<b>5,672,815</b>	<b>5,672,815</b>
<b>TOTAL LIABILITIES</b>	<b>7,115,313</b>	<b>7,181,150</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Pension Inflows (11)	102,505	102,505
<b>Deferred Inflows of Resources</b>	<b>102,505</b>	<b>102,505</b>
<b>NET ASSETS</b>	<b>\$ 9,045,774</b>	<b>\$ 8,824,867</b>

**Significant Events:**

1. Grants Receivable - Decreased due to \$588K received in the 1st Quarter from ESD \$33M Grant as reimbursement for 2016 expenses.
2. Accounts Receivable (Current) - Econ. Dev. Program Support Grant; MedTech Center Property Management; termed out Project Participation Fees from Rochester Gas & Electric to be collected in the next 12 months.
3. Prepaid Expense(s) - Prepaid health insurance, D&O insurance, property insurance and disability insurance.

DRAFT

**Genesee County Economic Development Center  
Dashboard - For the Three Month Period Ended 3/31/17  
Profit & Loss - Accrual Basis**

	Month to Date		YTD		2017	2017
	3/31/17	3/31/16	2017	2016	Board Approved Budget	YTD % of Budget
<b><u>Operating Revenues:</u></b>						
Genesee County	\$ 48,378	\$ 53,753	\$ 48,378	\$ 53,753	\$ 215,014	22%
Fees - Project Participation	3,000	12,250	3,000	12,250	381,500	1%
Fees - Services	20,031	19,934	20,031	19,934	80,123	25%
Interest Income on Loans	1,137	2,436	1,137	2,436	2,730	42%
Rent	1,046	1,097	1,046	1,097	23,584	4%
Grants (1)	673,047	904,164	673,047	904,164	46,277,055	1%
GGLDC Grant- Econ. Dev. Program Support	75,000	75,000	75,000	75,000	300,000	25%
Other Revenue	5,636	12	5,636	12	6,508	87%
<b>Total Operating Revenues</b>	<b>827,275</b>	<b>1,068,646</b>	<b>827,275</b>	<b>1,068,646</b>	<b>47,286,514</b>	<b>2%</b>
<b><u>Operating Expenses</u></b>						
General & Admin	322,864	322,336	322,864	322,336	1,214,067	27%
Professional Services	13,253	27,280	13,253	27,280	150,925	9%
Site Maintenance/Repairs	1,170	1,170	1,170	1,170	12,100	10%
Property Taxes/Special District Fees	6,127	6,934	6,127	6,934	12,787	48%
Bad Debt Expense	-	2,500	-	2,500	-	N/A
Grant Expense	-	161	-	161	-	N/A
PIF Expense- Ag Park/Bergen	223,404	233,818	223,404	233,818	226,130	99%
Site Development Expense	39,700	-	39,700	-	39,700	
Real Estate Development (2)	408,903	673,587	408,903	673,587	45,960,300	1%
Balance Sheet Absorption	(408,903)	(673,587)	(408,903)	(673,587)	-	N/A
<b>Total Operating Expenses</b>	<b>606,518</b>	<b>594,199</b>	<b>606,518</b>	<b>594,199</b>	<b>47,616,009</b>	<b>1%</b>
<b>Operating Revenue (Expense)</b>	<b>220,757</b>	<b>474,447</b>	<b>220,757</b>	<b>474,447</b>	<b>(329,495)</b>	
<b><u>Non-Operating Revenue</u></b>						
Other Interest Income	150	141	150	141	400	38%
<b>Total Non-Operating Revenue</b>	<b>150</b>	<b>141</b>	<b>150</b>	<b>141</b>	<b>400</b>	<b>N/A</b>
<b>Change in Net Assets</b>	<b>220,907</b>	<b>474,588</b>	<b>220,907</b>	<b>474,588</b>	<b>\$ (329,095)</b>	
<b>Net Assets - Beginning</b>	<b>8,824,867</b>	<b>6,988,475</b>	<b>8,824,867</b>	<b>6,988,475</b>		
<b>Net Assets - Ending</b>	<b>\$ 9,045,774</b>	<b>\$ 7,463,063</b>	<b>\$ 9,045,774</b>	<b>\$ 7,463,063</b>		

**Significant Events:**

1. Grants - \$205,780 Community Benefit Agreement payment dedicated to support development at the GVAB (pays annual principal & interest on bond); Bergen PIF- In 2007, Genesee County and the Town of Bergen consented to divert PILOT payments from two companies back to the GCEDC to support the Village of Bergen wastewater treatment plant expansion; 2015 PIF with RJ Properties (Liberty Pumps) supports Apple Tree Acres Infrastructure improvements; ESD \$33M Grant supports STAMP engineering, environmental, legal, etc.
2. Real Estate Development Costs - Includes STAMP engineering, environmental and legal expenses; Environmental Assessment expenses for the Leroy Food & Tech Park.

4. Loans Receivable - Increased due to second part of Sandvoss loan disbursed in the 1st Quarter (\$45K).
5. Land Held for Dev. & Resale - Increases are related to STAMP engineering, environmental and legal costs and Environmental Assessment expenses for the LeRoy Food & Tech Park.
6. Accounts Receivable - Non-current - termed out Project Participation Fees from Rochester Gas & Electric that will not be collected within 12 months of the Balance Sheet date.
7. Accounts Payable - e3communications expenses.
8. Line of Credit - Bridge financing obtained to fund STAMP property acquisition, related soft costs and professional services until reimbursement from ESD grants/loans is received.
9. Unearned Revenue - Funds received from municipalities to support park development and funds received from National Fuel to support workforce development; not actually earned until eligible expenditures are incurred; Empire Pipeline Inc. project participation fee collected in Dec. 2016, but not earned until the company receives approval from FERC (Federal Energy Regulatory Commission).
10. Loans Payable - ESD - Loans from ESD support STAMP land acquisition and related soft costs.
11. Deferred Pension Outflows / Aggregate Net Pension Liability / Deferred Pension Inflows - Accounts added at 12/31/15 related to implementation of GASB 68.

- (A) Restricted Cash = Municipal Funds, RLF #2 Funds, Grant Funds Received in Advance, Project Participation Fees Received in Advance.  
(B) Reserved Cash = RLF #1 Funds (defederalized), Reserved Land Sale Proceeds.



**Genesee County Economic Development Center**  
**Dashboard - For the Three Month Period Ended 3/31/17**  
**Statement of Cash Flows**

DRAFT

	Three Month Period Ended 3/31/17	YTD
<b>CASH FLOWS USED BY OPERATING ACTIVITIES:</b>		
Genesee County	\$ 64,504	\$ 64,504
Fees - Project Participation	21,000	21,000
Interest Income on Loans	1,263	1,263
Rent	1,415	1,415
Grants	811,481	811,481
Other Revenue	5,636	5,636
Repayment of Loans	12,147	12,147
Issuance of Loans	(45,948)	(45,948)
General & Admin Expense	(351,050)	(351,050)
Professional Services	(20,145)	(20,145)
Site Maintenance/Repairs	(1,170)	(1,170)
Site Development	(39,700)	(39,700)
Property Taxes/Special District Fees	(12,984)	(12,984)
PIF Expense	(223,404)	(223,404)
Improv/Additions to Land Held for Development & Resale	(669,294)	(669,294)
Net Cash Used By Operating Activities	(446,249)	(446,249)
<b>CASH FLOWS (USED) PROVIDED BY NONCAPITAL FINANCING ACTIVITIES:</b>		
Lines of Credit Activity - Net	232,688	232,688
Net Cash (Used) Provided By Noncapital Financing Activities	232,688	232,688
<b>CASH FLOWS PROVIDED BY INVESTING ACTIVITIES:</b>		
Interest Income	150	150
Net Change in Cash	(213,411)	(213,411)
Cash - Beginning of Period	2,315,187	2,315,187
Cash - End of Period	\$ 2,101,776	\$ 2,101,776
<b>RECONCILIATION OF NET OPERATING REVENUE TO NET CASH USED BY OPERATING ACTIVITIES:</b>		
Operating Revenue	\$ 220,757	\$ 220,757
Adjustments:		
Depreciation Expense	367	367
Decrease in Accounts/Grants Receivable	63,852	63,852
Decrease in Prepaid Expenses	10,004	10,004
Increase in Loans Receivable	(33,801)	(33,801)
Increase in Land Held for Development & Resale	(408,903)	(408,903)
Decrease in Accounts Payable	(280,487)	(280,487)
Decrease in Accrued Expenses	(32,290)	(32,290)
Increase in Unearned Revenue	14,252	14,252
Total Adjustments	(667,006)	(667,006)
Net Cash Used By Operating Activities	\$ (446,249)	\$ (446,249)

3b

9

**GCEDC Audit & Finance Committee**

**May 2, 2017**

**3d. Approval of mowing contract for GCEDC properties**

**Discussion:** The GCEDC asked companies for bids to mow the properties we have acquired at STAMP and the entrance signs to Gateway I and Apple Tree Acres. The results of the bids are as follows based on 13 mows in the season for STAMP properties:

1. \$4,380 – S&S Trucking
2. \$8,645 – Scalia’s Landscaping
3. \$4,815 – McKenzie Landscaping

Following are the bids for mowing the Gateway I sign and AppleTree Acres:

1. \$455 – McKenzie Landscaping
2. \$468 – Scalia’s Landscaping
3. \$780 – S&S Trucking

**Fund Commitment:** Not to exceed \$4,835.

**Board Action Request:** Approval of mowing contract for STAMP properties to S&S Trucking not to exceed \$4,380 and approval of mowing signs at Gateway I and AppleTree Acres to McKenzie Landscaping not to exceed \$455.