



Meeting Agenda – Audit and Finance Committee
 Genesee County Economic Development Center
 Tuesday, June 30, 2020 – 8:30 a.m.
 Location: Electronically

Page #	Topic	Discussion Leader	Desired Outcome
	1. Call To Order – Enter Public Session Because of the Novel Coronavirus (COVID-19) Emergency and State and Federal bans on large meetings or gatherings and pursuant to Governor Cuomo’s Executive Order 202.1 issued on March 12, 2020 suspending the Open Meetings Law, this Meeting is being held electronically via conference call / video conference instead of a public meeting open for the public to attend in person.	M. Gray	
	1a. Executive Session:	M. Gray	
2-3	2. Chairman’s Report & Activities 2a. Agenda Additions / Other Business 2b. Minutes: June 2, 2020	M. Gray	Vote
4-7	3. Discussions / Official Recommendations to the Board: 3a. May 2020 Financial Statements	L. Farrell	Disc / Vote
8-14	3b. Assessment of the Effectiveness of Internal Controls	L. Farrell	Disc / Vote
15	3c. \$33M STAMP Grant Review	L. Farrell	Discussion
16	3d. \$8M STAMP Grant Review	L. Farrell	Discussion
	4. Adjournment	M. Gray	Vote

GCEDC Audit & Finance Committee Meeting

Tuesday, June 2, 2020 8:30 a.m.

Locations: Electronically



MINUTES

ATTENDANCE

Committee Members: M. Gray, P. Battaglia, A. Young, T. Bender
Staff: L. Farrell, M. Masse, L. Casey, P. Kennett, J. Krencik, S. Hyde
Guests: D. Cunningham (GGLDC Board Member), T. Felton (GGLDC Board Member)
Absent:

1. CALL TO ORDER / ENTER PUBLIC SESSION

M. Gray called the meeting to order at 8:31 a.m. via conference call / video conference.

Because of the Novel Coronavirus (COVID-19) Emergency and State and Federal bans on large meetings or gatherings and pursuant to Governor Cuomo’s Executive Order 202.1 issued on March 12, 2020 suspending the Open Meetings Law, this Meeting is being held electronically via conference / video conference call instead of a public meeting open for the public to attend in person.

1a. Executive Session:

P. Battaglia made a motion to enter executive session at 8:32 a.m. under the Public Officers Law, Article 7, Open Meetings Law Section 105 for the following reasons, seconded by T. Bender and approved by all members present:

“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. Re-Enter Public Session – A. Young made a motion to enter back into public session at 8:49 a.m., seconded by P. Battaglia and approved by all members present.

2. CHAIRMAN’S REPORT & ACTIVITIES:

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

2b. Minutes: May 5, 2020

P. Battaglia made a motion to recommend to the full Board the approval of the May 5, 2020 minutes; the motion was seconded by T. Bender. Roll call resulted as follows:

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

2b

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The item was approved as presented.

3. DISCUSSIONS / OFFICIAL RECOMMENDATIONS OF THE COMMITTEE:

3a. April 2020 Financial Statements - L. Farrell reviewed with the Committee the significant items of the April 2020 long form financial statements and noted the following:

- Accounts receivable decreased. We received the 1st Quarter Economic Development Program Support Grant and the MedTech Centre Property Management Fee from the GGLDC.
- On land held for development and sale there were no changes from the 1st quarter to April. No GURFs were approved for the STAMP project so no grant funds were spent in April.
- On liabilities, accrued expenses increased over \$8,000 as the monthly NYS Retirement expense was recognized.
- On the operating fund, we collected almost \$13,000, which was the second half of the project origination fee from the Graham project. They paid 50% of the fee at the end of 2019 and the remaining fee in April.
- Projects are required to pay an annual administrative fee in the amount of \$500 or \$1,000. The fee is based on the Cap X of the project. We have collected all that we budgeted for this year.
- On March 25, 2020, the GCFC Board approved a \$50,000 Grant to Support the Economic Development Program. This was collected this amount in April.
- There are 4-5 line items of expenditures that over where we would expect to be at against the budget. These expenditures are front loaded and are in line with where we would expect them to be at this time of year.
- On the revolving loan fund #1 there are no outstanding loans. This is the fund that we use for our internal line of credit. These loan funds are there if needed for future loans.
- There is no activity on the STAMP fund. No GURFs approved.

P. Battaglia made a motion to recommend to the full Board the approval of the April 2020 Financial Statements; the motion was seconded by A. Young. Roll call resulted as follows:

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

3b. Audit & Finance Committee Charter – M. Gray noted that the Committee discussed the Charter in detail in executive session during a Committee self-evaluation discussion. L. Farrell stated that there are no recommended changes at this time.

As there were no changes, the Committee did not feel a vote of approval was necessary.

3c. Committee Self-Evaluation – M. Gray stated that he will work with L. Farrell to draft a memo for the Governance Committee as the Committee Self-Evaluation comes out of the Committee Charter Review.

4. ADJOURNMENT

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

2b

Genesee County Economic Development Center
May 2020 Dashboard
Balance Sheet - Accrual Basis

	<u>5/31/20</u>	<u>4/30/20</u>	[Per Audit] <u>12/31/19</u>
ASSETS:			
Cash - Unrestricted	\$ 1,591,260	\$ 1,675,547	\$ 1,409,323
Cash - Restricted (A)(1)	12,178,261	12,749,015	13,742,990
Cash - Reserved (B)	789,829	789,627	788,561
Cash - Subtotal	14,559,350	15,214,189	15,940,874
Grants Receivable (2)	65,850	86,092	386,091
Accts Receivable- Current (3)	363,767	332,059	397,089
Deposits	2,832	2,832	2,832
Prepaid Expense(s) (4)	6,262	6,955	33,355
Loans Receivable - Current	52,615	52,571	51,450
Total Current Assets	15,050,676	15,694,698	16,811,691
Land Held for Dev. & Resale (5)	14,186,274	14,156,249	13,886,275
Furniture, Fixtures & Equipment	67,982	67,982	67,982
Total Property, Plant & Equip.	14,254,256	14,224,231	13,954,257
Less Accumulated Depreciation	(67,945)	(67,939)	(67,917)
Net Property, Plant & Equip.	14,186,311	14,156,292	13,886,340
Accts Receivable- Non-current (6)	539,295	539,295	559,295
Loans Receivable- Non-current (Net of \$47,429 Allow. for Bad Debt)	286,246	290,963	309,788
Other Assets	825,541	830,258	869,083
TOTAL ASSETS	30,062,528	30,681,248	31,567,114
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Outflows (11)	160,725	160,725	160,725
Deferred Outflows of Resources	160,725	160,725	160,725
LIABILITIES:			
Accounts Payable (7)	6,816	19,174	927,789
Loan Payable - Genesee County - Current (8)	290,000	290,000	285,000
Accrued Expenses	16,283	8,905	12,608
Unearned Revenue (9)	9,733,265	10,309,198	10,408,563
Total Current Liabilities	10,046,364	10,627,277	11,633,960
Loans Payable - ESD (10)	5,196,487	5,196,487	5,196,487
Loan Payable - Genesee County - Noncurrent (8)	3,425,000	3,425,000	3,715,000
Aggregate Net Pension Liability (11)	199,875	199,875	199,875
Total Noncurrent Liabilities	8,821,362	8,821,362	9,111,362
TOTAL LIABILITIES	18,867,726	19,448,639	20,745,322
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Inflows (11)	109,989	109,989	109,989
Deferred Inflows of Resources	109,989	109,989	109,989
NET ASSETS	\$ 11,245,538	\$ 11,283,345	\$ 10,872,528

Significant Events:

1. Restricted Cash - ESD deposited \$4M into an imprest account related to the \$8M STAMP grant in November 2019 and \$15.1M into an imprest account related to the \$33M STAMP grant in January 2018. Expenditures out of these accounts 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.

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2. Grants Receivable - Decreased due to receipt of funds from National Grid as reimbursement for STAMP expenses.
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, life insurance, long-term and short-term disability.
5. Land Held for Dev. & Resale - Additions are related to STAMP development costs.
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. Accounts Payable - e3communications expenses and unpaid 2019 expenses.
8. 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.
9. Unearned Revenue - Genesee County contribution received in advance; Funds received from municipalities to support park development; Funds received from National Fuel to support workforce development; ESD Grant funds to support STAMP development, not actually earned until eligible expenditures are incurred.
10. Loans Payable - ESD - Loans from ESD to support STAMP land acquisition and related soft costs.
11. Deferred Pension Outflows / Aggregate Net Pension Liability / Deferred Pension Inflows - Accounts related to implementation of GASB 68.

- (A) Restricted Cash = Municipal Funds, RLF #2 Funds, Grant Funds Received in Advance.
 (B) Reserved Cash = RLF #1 Funds (defederalized).

**Genesee County Economic Development Center
May 2020 Dashboard
Profit & Loss - Accrual Basis**

	Month to Date		YTD		2020	2020
	5/30/20	5/30/19	2020	2019	Board Approved Budget	YTD % of Budget
<u>Operating Revenues:</u>						
Genesee County	\$ 19,459	\$ 19,459	\$ 97,296	\$ 97,296	\$ 233,513	42%
Fees - Projects	250	41,224	29,968	201,922	392,000	8%
Fees - Services	6,707	6,687	33,535	33,435	80,483	42%
Interest Income on Loans	329	305	1,684	1,555	3,877	43%
Rent	1,310	4,613	2,110	5,433	23,995	9%
Common Area Fees - Parks	-	-	700	-	-	N/A
Grants (1)	575,728	350,013	1,160,641	777,164	26,022,377	4%
GGLDC Grant- Econ. Dev. Program Support	25,000	25,000	125,000	125,000	300,000	42%
GCFC Grant - Econ. Dev. Program Support	-	-	50,000	-	50,000	100%
BP ² Revenue	-	176	-	578	2,698	0%
Other Revenue	50	250	6,447	5,081	5,000	129%
Total Operating Revenues	628,833	447,727	1,507,381	1,247,464	27,113,943	6%
<u>Operating Expenses</u>						
General & Admin	124,107	134,488	539,907	541,627	1,379,649	39%
Professional Services	2,713	14,655	20,808	43,050	96,000	22%
Site Maintenance/Repairs	-	390	1,622	1,950	17,000	10%
Property Taxes/Special District Fees	-	-	2,533	2,951	11,890	21%
PIF Expense	-	-	28,410	14,714	93,824	30%
CBA Pass Through	-	-	-	205,125	-	N/A
Site Development Expense	545,788	271,586	554,472	289,975	2,501,475	22%
Real Estate Development (2)	30,025	91,327	299,999	283,487	25,642,025	1%
Balance Sheet Absorption	(30,025)	(91,327)	(299,999)	(283,487)	-	N/A
Total Operating Expenses	672,608	421,119	1,147,752	1,099,392	29,741,863	4%
Operating Revenue (Expense)	(43,775)	26,608	359,629	148,072	(2,627,920)	
<u>Non-Operating Revenue (Expense)</u>						
Other Interest Income	5,968	9,416	13,381	17,224	5,000	268%
Econ. Dev. Loan Fund (LDC/County)	-	-	-	(233,764)	-	N/A
Total Non-Operating Revenue (Expense)	5,968	9,416	13,381	(216,540)	5,000	268%
Change in Net Assets	(37,807)	36,024	373,010	(68,468)	\$ (2,622,920)	
Net Assets - Beginning	11,283,345	10,611,269	10,872,528	10,715,761		
Net Assets - Ending	\$ 11,245,538	\$ 10,647,293	\$ 11,245,538	\$ 10,647,293		

Significant Events:

1. Grants - YTD includes \$448K Community Benefit Agreement payment dedicated to STAMP by sourcing debt service payments to the County; 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 & \$8M Grants support STAMP development costs.
2. Real Estate Development Costs - Includes STAMP development costs.

Genesee County Economic Development Center
May 2020 Dashboard
Statement of Cash Flows

	May 2020	YTD
CASH FLOWS USED BY OPERATING ACTIVITIES:		
Genesee County	\$ 19,459	\$ 116,755
Fees - Projects	250	38,968
Fees - Services	-	40,182
Interest Income on Loans	325	1,605
Rent	1,110	2,110
Common Area Fees - Parks	-	700
Grants	20,241	797,204
GGLDC Grant - Economic Development Program Support	-	150,000
GCFC Grant - Economic Development Program Support	-	50,000
Other Revenue	50	6,447
Repayment of Loans	4,673	22,377
General & Admin Expense	(115,871)	(513,310)
Professional Services	(9,916)	(28,661)
Site Maintenance/Repairs	-	(1,622)
Site Development	(545,788)	(1,249,244)
Property Taxes/Special District Fees	-	(2,533)
PIF Expense	-	(28,410)
Improv/Additions/Adj to Land Held for Development & Resale	(30,025)	(512,681)
Net Cash Used By Operating Activities	(655,492)	(1,110,113)
CASH FLOWS USED BY NONCAPITAL FINANCING ACTIVITIES:		
Principal Payments on Loan	-	(285,000)
Net Cash Used By Noncapital Financing Activities	-	(285,000)
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES:		
Interest Income (Net of Remittance to ESD)	653	13,589
Net Change in Cash	(654,839)	(1,381,524)
Cash - Beginning of Period	15,214,189	15,940,874
Cash - End of Period	\$ 14,559,350	\$ 14,559,350
RECONCILIATION OF NET OPERATING REVENUE (EXPENSE) TO NET CASH USED BY OPERATING ACTIVITIES:		
Operating Revenue (Expense)	\$ (43,775)	\$ 359,629
Depreciation Expense	6	28
(Increase) Decrease in Operating Accounts/Grants Receivable	(11,466)	371,665
Decrease in Prepaid Expenses	693	27,093
Decrease in Loans Receivable	4,673	22,377
Increase in Land Held for Development & Resale	(30,025)	(299,999)
Decrease in Operating Accounts Payable	(7,043)	(919,283)
Increase in Accrued Expenses	7,378	3,675
Decrease in Unearned Revenue	(575,933)	(675,298)
Total Adjustments	(611,717)	(1,469,742)
Net Cash Used By Operating Activities	\$ (655,492)	\$ (1,110,113)

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2020 Assessment of the Effectiveness of Internal Controls

Purpose of the Genesee County Industrial Development Agency D/B/A Genesee County Economic Development Center (GCEDC)

The GCEDC is a public benefit corporation of the State of New York created in 1970 by a resolution of the Genesee County Legislature to facilitate economic development in the County of Genesee, New York.

Internal Controls

The accounting, financial reporting, and cash management functions are carried out relying on a multitude of internal controls. A Financial Procedures document details all aspects of the financial controls in place.

Examples of some of the controls used are listed below:

- Payroll for the GCEDC's employees is processed externally by a payroll processing company, Complete Payroll Processing, Inc. (CPP). The Operations Manager and/or CFO verify that payments are only made to employees that are entitled to be paid. – **Low risk.**
- All invoices must be reviewed and verified by the CFO, CEO or Sr. VP of Operations. All checks require two signatures, with one of the signatures being a board member. The CEO and the Sr. VP of Operations are the only two employees authorized to sign checks. The CFO opens and reviews all bank statements and bank reconciliations. – **Multiple persons signing off on the process and the CFO opens and reviews bank statements and does not have authorization to sign checks.**
- All checks received by the GCEDC are recorded and stamped "for deposit only" by the Operations Assistant and given to the Operations Manager for review. The Operations Manager ensures that all funds are coded correctly, and that each transaction is recorded in Peachtree (accounting software). Deposit slips are then prepared by the Staff Accountant and deposited in the bank. The deposit receipt from the bank is then attached to the appropriate back up for the deposit. – **Bank verification and receipts make this low risk.**
- Computers are password protected. Accounting software is separately password protected. Access to the accounting software is limited to the Operations Manager, Staff Accountant and CFO. – **Password protection and limited access to accounting software makes this low risk.**

Note: Internal controls are reviewed continuously, and adjustments are made as necessary.

The system of controls applicable to the GCEDC was last reviewed by the GCEDC's Audit Committee on June 30, 2020. The Audit Committee's review affirmed that there are no material control weaknesses to be reported. The GCEDC undergoes an annual financial audit by an independent CPA firm. While auditors are not engaged to perform an audit of internal controls, auditors do provide management letter comments when they encounter internal weaknesses. No material weaknesses or recommendations for improvement have been identified by the independent auditors.

In summary, the present internal control structure appears to be sufficient to meet internal control objectives that pertain to the prevention and detection of errors and irregularities.

**Client Name: Genesee County Industrial Development Agency
dba Genesee County Economic Development Center
Genesee Gateway Local Development Corporation**

GGLDC administrative tasks are performed by GCEDC employees

Audit & Finance Committee Last Reviewed: 6/30/2020

CASH CONTROL ACTIVITIES

Cash Receipts

The GCEDC/GGLDC does not routinely handle cash. When cash is received, it's generally once a year at the annual meeting location via registration fees paid. Mail is opened by the Operations Assistant. All receipts are immediately marked "for deposit only". The cash receipts are deposited every 3 – 5 days in the appropriate cash account either in Five Star Bank, Key Bank, or The Bank of Castile. Posting of cash receipts to accounts receivable is done by the Staff Accountant. The postings are done promptly and accurately recorded as to customer account, amount and period. The Operations Manager reviews deposits and postings to customer accounts and general ledger accounts. Any adjustments to cash accounts are approved by the CFO. Cash held on site is stored in a locked file cabinet and kept independent of mail receipts. A PayPal account is used for annual meeting registration fees paid. Email notifications are received when payments have been made. PayPal deposits are recorded in the general ledger weekly by the Staff Accountant and the Operations Manager reviews the monthly activity.

Cash Disbursements

Cash disbursements are made by check, online payments, online bill pay or bank wire, except for small amounts from petty cash. Online payments and online bill pay are only made to ensure that bills are paid on time and to prevent late payment charges.

All checks require two signatures. GCEDC checks must be co-signed by at least one board member. GGLDC checks are signed by two board members. The GCEDC and GGLDC Audit & Finance Committee members are authorized bank signers.

All GCEDC line of credit withdrawals must be co-signed by at least one board member. GGLDC line of credit withdrawals must be signed by two board members.

Checks are pre-numbered and the sequence is accounted for regularly. All blank checks are kept in a secure location. All cash disbursement records are matched against accounts payable/open invoice files by the Operations Manager.

Invoices received are date stamped by the Operations Assistant and given to the Staff Accountant for review, tracking against contracts in place, to make sure supporting documentation is attached, and to ensure that the appropriate person signs off for approval of payment. All invoices are then reviewed by the Operations Manager and the CFO prior to disbursement checks being prepared. Checks are prepared by the Staff Accountant, only after proper matching of supporting documentation. Supporting documentation is marked with the check number when a check is prepared. The check signer reviews all supporting documentation. Purchasing documents are accounted for and controlled by the Operations Manager. Signed disbursement checks are returned to the Staff Accountant / Operations Assistant for mailing.
Mitigating controls: The CFO opens and reviews bank statements and does not have authorization to sign checks.

All bank and interfund transfers are authorized by the CFO and the Sr. VP of Operations.

Electronic/Online Payments

Online bill pay can be used for payments to vendors that are on the Audit & Finance Committee pre-approved list. The same cash disbursement control procedures are followed, except that payments are acknowledged by two authorized bank signers after the online payment is complete.

Bank Account Reconciliations

Bank accounts are reconciled monthly by the Staff Accountant and reconciliations are reviewed by the Operations Manager and the CFO. All reconciling items are appropriate and supported. All bank statements received in the mail are delivered unopened to the CFO who opens, reviews and signs off prior to reconciliations being performed.

Journal entries

Non-standard journal entries are recorded in the general ledger by Operations Manager and the Staff Accountant and reviewed by the CFO.

SUPPORT, PROGRAM SERVICE FEES, REVENUE AND RECEIVABLE CONTROL ACTIVITIES

Program Service Receivables

Invoices are prepared once a month by the Staff Accountant. All invoices are numbered and issued in sequential order. Invoices are posted to the accounting system as payment is received. The individual(s) charged with the billing duties is also responsible for accounts receivable with the Operations Manager monitoring and reviewing the process.

Pledges Receivable (Not Applicable)

Collections

There are no established credit policies.

When cash payments are received they are posted to customer accounts by the Staff Accountant. The GCEDC/GGLDC does not prepare regular customer statements. Invoices for rent and revolving loan fund payments are mailed once a month and outstanding invoices older than 30 days are followed up via telephone by the VP of Business Development, Senior VP of Operations, or CFO.

Trial Balance

The accounts receivable aging is maintained separately from the general ledger. The aging is reconciled once a month by the Operations Manager. Program revenues recorded are compared with the budget monthly by the Operations Manager and any significant deviations from budget are investigated and explained.

Allowance for Doubtful Accounts Program Services fee write-offs:

All write-offs to rent or revolving loan fund accounts are approved by the GCEDC/GGLDC Board of Directors. The accounts receivable aging is reviewed monthly by the Operations Manager. Accounts are deemed possibly uncollectible and written off to the allowance for doubtful accounts when they meet the following criteria: When the board of directors determines that all efforts to collect have been exhausted.

INVESTMENTS AND DERIVATIVE CONTROL ACTIVITIES

The GCEDC and GGLDC's Investment Policies are provided separately.

EXPENSES FOR PROGRAM AND SUPPORTING SERVICES AND ACCOUNTS PAYABLE AND PURCHASES CONTROL ACTIVITIES

Purchasing (Other than Inventory)

Purchasing is done by the Operations Assistant. For all purchases (other than items of inventory), the purchases are supported by approvals and authorizations. The GCEDC/GGLDC does not require pre-numbered purchase orders. Individuals with the right to approve and authorize purchases are the President/CEO, CFO, and Senior VP of Operations. The Operations Manager approves purchases of supplies, equipment and postage that are within budget as well as any other purchases that were planned for within the budget.

Receiving, Recording Payable and Expense

When the ordered items are received they are inspected for condition and counted by the Operations Assistant. Due to the small nature of the organization, full segregation of duties is not possible. The individual responsible for receiving is also responsible for purchasing, with oversight by Operations Manager or Staff Accountant.

The invoices subsequently received from vendors are matched up to the purchase orders and receiving reports and compared for quantities received, product ordered, pricing and clerical accuracy by the Operations Manager. For any goods that are returned, the shipping documents are maintained and reviewed and matched to vendor credit memos.

The payables are paid approximately twice a month by the Staff Accountant. The checks are reviewed and signed by two authorized bank account signers.

Trial Balance

The accounts payable aging is maintained separately from the general ledger. The aging is reconciled monthly by the Operations Manager. The GCEDC/GGLDC does not prepare monthly vendor statements. The President/CEO, CFO and the Audit & Finance Committee review the detailed monthly financial statements and compare the balances in expense accounts to budgeted amounts and any significant deviations from expectations are investigated and explained.

GCEDC PAYROLL AND EMPLOYEE BENEFITS CONTROL ACTIVITIES

Payroll

Employees are paid biweekly out of the Five Star Bank primary checking account. Funds are transferred into the account used for payroll from the Five Star Bank primary savings account by the Operations Manager. The GCEDC transfers funds to cover payroll as needed. All fund transfers are authorized by the CFO and Senior VP of Operations. Employees are never paid in cash.

Salaried employees are not required to submit weekly time records however; a record of absence is to be maintained by each employee, kept current and electronically stored in a common location as directed. Employees must have vacation compensation approved by the President/CEO or CFO. The individuals responsible for approving time are not responsible for processing or recording payroll.

Hourly employees are required to submit bi-weekly time records to their supervisor to report hours worked.

Complete Payroll Processing is the service provider used to process payroll. All the payroll information provided to the service organization such as pay rates and withholdings is authorized by the President/CEO and/or CFO. Bi-weekly payroll information is submitted to Complete Payroll Processing by the Operations Manager after compiling adequate support for the time worked by the employees. The registers produced by the service are reviewed after processing and approved by Operations Manager. The review is done to ensure the payroll transactions are only for authorized employees and that the correct pay rate is used. GCEDC does not pay commission to its employees.

All payroll checks are pre-numbered and used in sequence and any unissued checks are controlled by Complete Payroll Processing.

When new employees are hired they complete the appropriate paperwork including withholding forms and authorizations for payroll deductions that are maintained in personnel files by the Operations Manager and are entered into the payroll system by the Operations Manager. When employees are terminated they are removed from the payroll system by the Operations Manager. When there are raises or changes in pay rates, they are approved by the President/CEO or CFO and entered into the payroll system by the Operations Manager. All changes in personnel data are reported promptly so they can be properly taken care of in the payroll database.

The timely remittance of payroll taxes and of the payroll tax returns is overseen by Complete Payroll Processing.

Employee Benefits

For all benefits provided to employees such as health insurance, retirement plans, and fringe benefits, support is maintained in the personnel files authorizing deductions by the Operations Manager. Individuals with the appropriate level of knowledge are responsible for monitoring employee benefit matters and for ensuring withholdings such as 403(b) or NYS Deferred Compensation deferrals and cafeteria plan withholdings are remitted timely. These individuals include the CFO and Operations Manager.

Trial Balance

The Operations Manager reviews the monthly financial statements and compares the balances in the payroll and employee benefit expense accounts to budgeted amounts and any significant deviations from expectations are investigated and explained. The detailed payroll records are also reconciled by the Operations Manager to the payroll tax returns quarterly, and the total W-2s are reconciled to the general ledger at year end by the Operations Manager.

When necessary the appropriate payroll accruals including accruals for compensated absences are made to the general ledger by the Operations Manager.

Computers / IT

All computers are password protected. Peachtree is password protected. Each user has an independent password. Those with access to the Peachtree system are the Operations Manager, Staff Accountant, and CFO. The CFO does not post or change any data in the system; he/she reviews data only.

All employee computer files are backed up to the server and the server is backed up to an off-site location (Erie County IDA) on a nightly basis. The back-up is monitored by the IT Consultant and the Operations Manager.

GCEDC Employee Reimbursements

Employee reimbursement requests are submitted to and approved by the Senior VP of Operations and CFO. The President/CEO must sign off on requests submitted by the Senior VP of Operations or CFO. Two Board members must sign off on requests submitted by the President/CEO.

GCEDC Travel Authorization

Travel involving overnight accommodation or travel outside of New York State requires prior approval of the President & CEO (or the Chairman or Vice-Chairman of the Board, in the case of the CEO's travel).

Signed travel authorization forms are attached to subsequent reimbursement requests to verify that expenditures are appropriate and in line with the prior approval.

GCEDC / GGLDC

Pre-Approved List of Vendors That Can Be Paid Online:

- Tompkins Trust Company (Visa)
- Selective Insurance
- Toshiba Financial Services
- National Grid
- National Fuel
- Level 3 Communications (Internet & Phone)
- Verizon (Elevator security phone)
- Five Star Bank (Loan payments)
- KeyBank (Line of Credit payments)
- Bank of Castile
- Five Star Bank

Last Reviewed & Approved by Audit & Finance Committee:

GCEDC - 6/30/2020

GGLDC - 6/30/2020

3c

\$8M STAMP Grant Activity Review YTD

	GURF #1	GURF #2	GURF #3	GURF #4	GURF #5	GURF #6
Total GURF Amount:	\$ 543,395.44	\$ 510,500.61	209,173.81	559,985.76	293,879.80	267,799.23
Date of ESD Request:	12/11/19	1/15/20	3/2/20	4/29/20	5/29/20	6/22/20
Date ESD Approved Release of Funds:	12/13/19	1/21/20	3/5/20	5/4/20	6/11/20	6/25/20

Grant Amount: \$ 8,000,000.00
 Cumulative Amount of Grant Funds Expended: \$ (2,116,935.42)
 Request In Process: \$ (267,799.23)
Grant Balance Remaining: \$ 5,615,265.35

\$33M STAMP Grant Activity Review YTD

	Draws #1-13 GURFs #1-13	GURF #14	GURF #15	GURF #16	NYISO Refund Rec'd 6.26.19	GURF #17	GURF #18	GURF #19	GURF #20	GURF #21	GURF #22	GURF #23	GURF #24	GURF #25
Total Draw Amount:	\$ 4,899,065.32													
Total GURF Amount:	\$ 6,141,053.97	\$ 152,946.26	\$ 327,578.94	\$ 364,005.65	\$ (18,793.00)	\$ 183,031.47	\$ 123,638.96	\$ 122,263.51	\$ 218,737.45	\$ 31,764.00	\$ 9,310.23	\$ 9,725.00	\$ 38,603.00	\$ 192,852.04
Date of ESD request:		4/8/2019	5/9/2019	6/7/2019		7/15/2019	8/15/2019	9/26/2019	11/8/2019	1/16/2020	3/2/2020	4/29/2020	6/1/2020	6/23/2020
Date ESD funds were Approved:		4/12/2019	5/13/2019	6/17/2019		7/18/2019	8/28/2019	10/3/2019	11/26/2019	1/27/2020	3/4/2020	5/4/2020	6/11/2020	6/25/2020
	Grant Amount:		\$ 33,000,000.00											
	Cumulative Amount of Grant Funds Expended:		\$ (12,564,327.76)											
	Request in Process:		\$ (38,603.00)											
	Grant Balance Remaining:		<u>\$ 20,397,069.24</u>											