



**Meeting Agenda – Audit and Finance Committee**

Genesee Local Development Corp.

Tuesday, June 2, 2020 – 8:30 a.m.

Location: Electronically

Page #	Topic	Discussion Leader	Desired Outcome
	<p>1. Call To Order – Enter Public Session</p> <p>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 instead of a public meeting open for the public to attend in person.</p>	D. Cunningham	
2-6	<p><b>2. Chairman's Report &amp; Activities</b></p> <p>2a. Agenda Additions / Other Business</p> <p>2b. Minutes: May 5, 2020</p>	D. Cunningham	Vote
7-11	<p><b>3. Discussions / Official Recommendations to the Board:</b></p> <p>3a. April 2020 Financial Statements</p>	L. Farrell	Disc / Vote
12-15	<p>3b. Audit &amp; Finance Committee Charter</p> <p>3c. Committee Self-Evaluation</p>	L. Farrell L. Farrell	Disc / Vote Discussion
	4. Adjournment	D. Cunningham	Vote



**GGLDC Audit & Finance Committee Meeting**

**Thursday, May 5, 2020**

**Location - Electronically**

**8:30 a.m.**

**MINUTES**

**ATTENDANCE**

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

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

D. Cunningham called the meeting to order at 9:17 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 call / video conference instead of a public meeting open for the public to attend in person.

**2. CHAIRMAN’S REPORT & ACTIVITIES**

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

**2b. Minutes: March 26, 2020**

**P. Battaglia made a motion to recommend approval of the March 26, 2020 minutes; the motion was seconded by T. Felton. Roll call resulted as follows:**

T. Felton	- Yes
P. Battaglia	- Yes
T. Bender	- Absent
D. Cunningham	- Yes

**The item was approved as presented.**

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

**3a. 1<sup>st</sup> Quarter Financial Statements-** L. Farrell reviewed the 1<sup>st</sup> quarter financial statements with the Committee. The following was noted:

- Strategic Investments increased by over \$100,000. A payment from HP Hood in the amount of \$100,000 was received. This is related to their OCR loan.
- Accounts payable increased from the end of they year. The MedTech Centre Property Management Fee and Economic Development Support Grant is due to the EDC for the 1<sup>st</sup> quarter.
- Unearned Revenue under MedTech Centre includes insurance proceeds for roof repairs that were received. The repairs have not been completed yet.
- In the Operating Fund, loan application fees from Liberti Valvo and Keister were received. Keister is scheduled to close next week and Liberti Valvo is moving forward as well.
- Regular monthly activity for the quarter, including MedTech Centre.

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

T. Felton - Yes  
P. Battaglia - Yes  
T. Bender - Absent  
D. Cunningham - Yes

**The item was approved as presented.**

**3b. Strategic Investment Funds Analysis** – L. Farrell reviewed the Strategic Investments Analysis with the Committee. She noted the following:

- The analysis includes 2019 to show actual activity for strategic investments.
- Funds are only shown as a source when it has already closed or will close within the near future.
- For 2020, L. Farrell noted that the Upstate Niagara Land Sale, which was previously shown as an opportunity, is now shown as a source in the amount of approximately \$323,000.
- Only actual numbers for the Genesee County Chamber of Commerce CDBG loan repayments received are shown in the analysis. Approximately \$14,000 was spent for the acquisition of these loans. We have received nearly \$27,000 to date at the end of the first quarter.
- The Economic Development Program Support Grant is included through 2022. Years 2021 and 2022 have not been approved. They are just placeholders.
- The \$500,000 MTC Reserve has been extended to 2024.
- Opportunities include: Grant funds to cover a portion of Workforce Development Consultant expenses, Chamber loan repayments, YSG Solar (\$25,000 for Workforce Development and Economic Development Support Grant Funding), Five Solar Projects (\$25,000/each), and Land Sales which are broken down into approved and pending in the analysis.

**3c. Mowing Bids**– The GGLDC asked four companies for bids to mow the properties we own at Gateway II and Buffalo East Tech Park. The results of the bids are as follows based on 14 mows at Gateway II and 2 mows at BETP.

1. \$3,250 – S&S Trucking & Excavating
2. \$3,808 – Scalia's Landscaping
3. Declined to bid – McKenzie Landscaping
4. Declined to bid – Bubba's Landscaping

Fund Commitment: Not to exceed \$3,550 (includes six extra mows) for BETP and for Gateway II to S&S Trucking.

**T. Felton made a motion to recommend to the full Board the approval of the S&S mowing contract not to exceed \$3,550 for Gateway II and Buffalo East Tech Park properties; the motion was seconded by T. Felton. Roll call resulted as follows:**

T. Felton - Yes  
P. Battaglia - Yes  
T. Bender - Absent  
D. Cunningham - Yes

**The item was approved as presented**

**3d. Fancher Land Sale BETP** – The GGLDC has received a Purchase and Sale Agreement from a potential retail project to acquire approximately 7.9 acres (2.0 acres buildable) out of tax parcel 19.-1-74 for \$100,000.

Fund Commitment: Legal fees to Harris Beach not to exceed \$8,500 for the transaction.

The Committee discussed that the project description, item 3a., in the PSA must be amended to accurately reflect the project.

Resolution No. #05/2020 - 01

RESOLUTION OF THE GENESEE GATEWAY LOCAL DEVELOPMENT CORPORATION AUTHORIZING (I) THE SALE OF CERTAIN LANDS TO J & R FANCHER PROPERTY HOLDINGS, LLC COMPRISING APPROXIMATELY 7.9 +/- ACRES LOCATED IN THE TOWN OF PEMBROKE, GENESEE COUNTY, NEW YORK, AND KNOWN AS PART OF TAX PARCEL 19.-1-74 (THE "LAND"), AND (II) THE EXECUTION AND DELIVERY OF A PURCHASE AND SALE AGREEMENT FOR THE CONVEYANCE OF THE LAND AND THE EXECUTION AND DELIVERY OF DOCUMENTS NECESSARY AND INCIDENTAL THERETO

**P. Battaglia made a motion to recommend to the full Board the approval of the Purchase and Sale Agreement with the modification presented above and payment of legal fees not to exceed \$8,500 in connection with the closing; the motion was seconded by T. Felton. Roll call resulted as follows:**

T. Felton - Yes  
P. Battaglia - Yes  
T. Bender - Absent  
D. Cunningham - Yes

**The item was approved as presented.**

**3e. MedTech Roof Repair Contract** – The roof at the MedTech Centre suffered roof damage due to the high winds we had back in December / January. This damage was not covered under the warranty because the winds were in excess of 55 mph. The GGLDC submitted an insurance claim to cover the cost of repairs. The insurance company has approved the claim and the company to complete the work. The GGLDC has a contract with a company that is certified to complete the replacement that will not invalidate our current remaining warranty on the roof. The damage resulted in about 25% of the roof

needing to be replaced. The total cost is \$37,377 to be reimbursed by the insurance subject to our deductible. It was noted that we did not go out to bid for these repairs because we did not want to invalidate the remaining 10 years on the warranty.

Fund Commitment: \$37,377 to be reimbursed by insurance subject to our deductible.

**T. Felton made a motion to recommend to the full Board the approval of payment for roof repairs in the amount of \$37,377 to Finger Lakes Service Group; the motion was seconded by P. Battaglia. Roll call resulted as follows:**

T. Felton - Yes  
P. Battaglia - Yes  
T. Bender - Absent  
D. Cunningham - Yes

**The item was approved as presented.**

**3f. CC Environment Contract for BETP** – The GGLDC has received a proposal from CC Environment and Planning to provide services related to the wetland mitigation that was completed at the BETP as part of our rezoning and SEQR efforts that resulted in an issuance of a permit from the USACE for wetland impacts to develop the back parcel. This will include the treatment of invasive species and approval from all state and federal regulatory agencies as well as supporting documentation. Complete the mitigation monitoring report as required. All of these items were mandated by state and federal regulatory agencies as part of the issuance of a permit for impacting wetlands at the BETP.

Fund Commitment: Not to exceed \$6,000 from strategic investments.

**P. Battaglia made a motion to recommend to the full Board the approval of the CC Environment and Planning proposal not to exceed \$6,000; the motion was seconded by T. Felton. Roll call resulted as follows:**

T. Felton - Yes  
P. Battaglia - Yes  
T. Bender - Absent  
D. Cunningham - Yes

**The item was approved as presented.**

**3g. Great Lakes Building Systems Service Agreement-** The GGLDC has an agreement with Great Lakes Building Systems, Inc. to take care of servicing the fire alarm system and the sprinkler system in the MedTech Centre. In 2019, the GGLDC board approved the Gold Package for the alarm system and the Bronze package for the sprinkler system. This contract is up for renewal in 2020 with no increase in cost. This item was included in the 2020 budget.

Fund Commitment: \$5,685

**T. Felton made a motion to recommend to the full Board the approval of payment of \$5,685 for the Gold package for the alarm system and the Bronze package for the sprinkler system; the motion was seconded by P. Battaglia. Roll call resulted as follows:**

## DRAFT

T. Felton - Yes  
P. Battaglia - Yes  
T. Bender - Absent  
D. Cunningham - Yes

**The item was approved as presented.**

### **4. ADJOURNMENT**

P. Battaglia made a motion to adjourn at approximately 9:49 a.m, seconded by T. Felton and passed unanimously.



**Genesee Gateway Local Development Corp.**  
**April 2020 Dashboard**  
**Balance Sheet - Accrual Basis**

	<u>4/30/20</u>	Three Month Period Ended <u>3/31/20</u>	[Per Audit] <u>12/31/19</u>
<b><u>ASSETS:</u></b>			
Cash - Unrestricted	\$ 353,655	\$ 323,960	\$ 303,219
Cash - Restricted (a) (A)	1,156,199	941,716	934,626
Cash - Reserved (B)	1,241,307	1,324,142	1,158,480
Cash - Subtotal	2,751,161	2,589,818	2,396,325
Grants Receivable (C)	4,646	4,646	4,646
Accounts Receivable	69	69	69
Loans Receivable - Current Portion	356,773	349,651	358,874
Other Current Assets (D)	4,360	-	872
<b>Total Current Assets</b>	<b>3,117,009</b>	<b>2,944,184</b>	<b>2,760,786</b>
Land Held for Dev. & Resale	3,489,954	3,489,954	3,489,854
Buildings & Improvements	7,202,120	7,202,120	7,202,120
Furniture, Fixtures & Equipment	43,600	43,600	43,600
Total Property, Plant & Equip.	10,735,674	10,735,674	10,735,574
Less Accumulated Depreciation	(1,825,872)	(1,809,466)	(1,760,244)
<b>Net Property, Plant &amp; Equip.</b>	<b>8,909,802</b>	<b>8,926,208</b>	<b>8,975,330</b>
Loans Receivable - Noncurrent Portion (Net of \$202,125 Allow. for Bad Debt (E))	664,133	681,380	847,445
Equity Investment in Genesee Agri-Business, LLC (F)	3,220,240	3,220,240	3,220,240
<b>Other Assets</b>	<b>3,884,373</b>	<b>3,901,620</b>	<b>4,067,685</b>
<b>Total Assets</b>	<b>15,911,184</b>	<b>15,772,012</b>	<b>15,803,801</b>
<b><u>LIABILITIES:</u></b>			
Accounts Payable (G)	37,956	101,720	16,915
Unearned Revenue (H)	68,154	31,369	44,457
Security Deposits	108,680	108,680	108,680
Loans Payable - Current Portion	77,777	77,519	76,749
Bonds Payable - Current Portion	119,029	118,929	115,205
<b>Total Current Liabilities</b>	<b>411,596</b>	<b>438,217</b>	<b>362,006</b>
Loans Payable - Noncurrent Portion	2,315,188	2,321,789	2,341,460
Bonds Payable - Noncurrent Portion	2,805,044	2,815,062	2,850,337
<b>Total Noncurrent Liabilities</b>	<b>5,120,232</b>	<b>5,136,851</b>	<b>5,191,797</b>
<b>Total Liabilities</b>	<b>5,531,828</b>	<b>5,575,068</b>	<b>5,553,803</b>
<b>EQUITY</b>	<b>\$ 10,379,356</b>	<b>\$ 10,196,944</b>	<b>\$ 10,249,998</b>

**Significant Events:**

1. Cash Restricted - \$218K OCR grant funds received in April that support loan to Freightliner; loan was disbursed in May.
2. Grants Receivable - OCR will reimburse for H. Sichernan grant consulting services.
3. Other Current Assets - prepaid D & O Insurance.
4. Equity Investment in Genesee Agri-Business, LLC - ties to corresponding GAB, LLC financial statements.
5. Accounts Payable - Grant for continuing Economic Development Program Support and MedTech Centre Property Management.
6. Unearned Revenue - MedTech Centre rents received in advance; LeRoy Bergen America's Best Community grant funds received, but not yet expended; earned; MedTech Centre insurance claim for roof repairs 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 Metropolitan Area Redevelopment Loan Funds, Grant Funds

**Genesee Gateway Local Development Corp.**  
**April 2020 Dashboard**  
**Profit & Loss - Accrual Basis**

	Month to Date		YTD		2020	2020
	4/30/20	4/30/19	2020	2019	Board Approved Budget	YTD % of Budget
<u>Operating Revenues:</u>						
Grants (1)	\$ 218,000	\$ 52,100	\$ 218,000	\$ 494,189	\$ 924,615	24%
Interest Income on Loans	503	2,588	7,516	8,768	24,986	30%
Rent	56,960	58,691	230,065	226,364	724,855	32%
Common Area Fees - Parks	-	-	500	-	500	100%
Fees	-	-	500	4,675	-	N/A
Other Revenue	-	-	2,544	500	-	N/A
<b>Total Operating Revenues</b>	<b>275,463</b>	<b>113,379</b>	<b>459,125</b>	<b>734,496</b>	<b>1,674,956</b>	
<u>Operating Expenses:</u>						
Operations & Maintenance	5,751	5,663	37,480	35,687	161,169	23%
Professional Services	19,962	18,998	45,065	43,585	155,483	29%
Econ. Dev. Prog. Support Grant	25,000	25,000	100,000	100,000	300,000	33%
Site Development Expense	5,320	-	5,320	-	727,612	1%
Grant Expense	-	-	-	-	819,648	0%
Real Estate Dev. (Capitalized)	-	-	-	60,634	-	N/A
Balance Sheet Absorption	-	-	-	(60,634)	-	N/A
Depreciation	16,406	16,396	65,628	65,588	196,788	33%
<b>Total Operating Expenses</b>	<b>72,439</b>	<b>66,057</b>	<b>253,493</b>	<b>244,860</b>	<b>2,360,700</b>	
<b>Operating Revenue (Expense)</b>	<b>203,024</b>	<b>47,322</b>	<b>205,632</b>	<b>489,636</b>	<b>(685,744)</b>	
<u>Non-Operating Revenues (Expenses):</u>						
Other Interest Income	630	1,197	7,025	4,633	9,250	76%
Interest Expense	(21,242)	(21,930)	(83,299)	(96,194)	(245,105)	34%
<b>Total Non-Operating Exp.</b>	<b>(20,612)</b>	<b>(20,733)</b>	<b>(76,274)</b>	<b>(91,561)</b>	<b>(235,855)</b>	
<b>Change in Net Assets</b>	<b>182,412</b>	<b>26,589</b>	<b>129,358</b>	<b>398,075</b>	<b>\$(921,599)</b>	
<b>Net Assets - Beginning</b>	<b>10,196,944</b>	<b>10,044,439</b>	<b>10,249,998</b>	<b>9,672,953</b>		
<b>Net Assets - Ending</b>	<b>\$ 10,379,356</b>	<b>\$ 10,071,028</b>	<b>\$ 10,379,356</b>	<b>\$ 10,071,028</b>		

Significant Events:

1. Grant Revenue - \$218K OCR grant supports loan to Freightliner.



**Genesee Gateway Local Development Corp.**  
**April 2020 Dashboard**  
**Statement of Cash Flows**

	April 2020	YTD
<b>CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Grant Income	\$ 218,000	\$ 218,000
Interest Income on Loans	503	6,686
Rental Income	93,745	225,188
Common Area Fees - Parks	-	500
Fees	-	500
Other Revenue	-	31,948
Operations & Maintenance	(10,461)	(41,603)
Professional Services	(33,376)	(48,389)
Economic Development Program Support Grant	(75,000)	(75,000)
Site Development Expense	(5,320)	(5,320)
Improvements of Land Held for Dev. & Resale	-	(100)
Repayment of Loans	10,125	185,413
Net Cash Provided By Operating Activities	198,216	497,823
<b>CASH FLOWS USED BY CAPITAL &amp; RELATED FINANCING ACTIVITIES:</b>		
Principal Payments on Bonds & Loans	(16,261)	(66,713)
Interest Paid on Bonds & Loans	(21,242)	(83,299)
Net Cash Used By Capital & Related Financing Activities	(37,503)	(150,012)
<b>CASH FLOWS PROVIDED BY INVESTING ACTIVITIES:</b>		
Interest Income	630	7,025
Net Cash Provided By Investing Activities	630	7,025
Net Change in Cash	161,343	354,836
Cash - Beginning of Period	2,589,818	2,396,325
Cash - End of Period	\$ 2,751,161	\$ 2,751,161
<b>RECONCILIATION OF OPERATING REVENUE TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Operating Revenue	\$ 203,024	\$ 205,632
Adjustments:		
Depreciation Expense	16,406	65,628
Increase in Land Held For Dev. & Resale	-	(100)
Increase in Other Current Assets	(4,360)	(3,488)
Decrease in Loans Receivable	10,125	185,413
Increase (Decrease) in Operating Accounts Payable	(63,764)	21,041
Increase in Unearned Revenue	36,785	23,697
Total Adjustments	(4,808)	292,191
Net Cash Provided By Operating Activities	\$ 198,216	\$ 497,823

**Genesee Gateway Local Development Corp.**  
**April 2020 Dashboard**  
**Balance Sheet - Accrual Basis**

	GGLDC		GABLLC		COMBINED	
	4/30/20		4/30/20		4/30/20	Per Audit 12/31/2019
<b>ASSETS:</b>						
Cash - Unrestricted	\$ 353,655	\$	\$ -	\$	\$ 353,655	\$ 303,219
Cash - Restricted (A)	1,156,199		-		1,156,199	934,626
Cash - Reserved (B)	1,241,307		263,225		1,504,532	1,425,731
Cash - Subtotal	<u>2,751,161</u>		<u>263,225</u>		<u>3,014,386</u>	<u>2,663,576</u>
Grants Receivable	4,646		-		4,646	4,646
Accts Receivable - Current	69		-		69	69
Loans Receivable - Current	356,773		-		356,773	358,874
Other Current Assets	4,360		-		4,360	872
<b>Total Current Assets</b>	<b><u>3,117,009</u></b>		<b><u>263,225</u></b>		<b><u>3,380,234</u></b>	<b><u>3,028,037</u></b>
Land & Improvements	3,489,954		3,121,511		6,611,465	6,611,365
Buildings & Improvements	7,202,120		-		7,202,120	7,202,120
Furniture, Fixtures & Equipment	43,600		-		43,600	43,600
Total Property, Plant & Equip.	<u>10,735,674</u>		<u>3,121,511</u>		<u>13,857,185</u>	<u>13,857,085</u>
Less Accumulated Depreciation	(1,825,872)		-		(1,825,872)	(1,760,244)
<b>Net Property, Plant &amp; Equip.</b>	<b><u>8,909,802</u></b>		<b><u>3,121,511</u></b>		<b><u>12,031,313</u></b>	<b><u>12,096,841</u></b>
Loans Receivable - Noncurrent	664,133		-		664,133	847,445
Equity Investment in GAB, LLC	3,220,240		-	(3,220,240)	-	-
<b>Other Assets</b>	<b><u>3,884,373</u></b>		<b><u>-</u></b>	<b><u>(3,220,240)</u></b>	<b><u>664,133</u></b>	<b><u>847,445</u></b>
<b>TOTAL ASSETS</b>	<b><u>15,911,184</u></b>		<b><u>3,384,736</u></b>	<b><u>(3,220,240)</u></b>	<b><u>16,075,680</u></b>	<b><u>15,972,323</u></b>
<b>LIABILITIES:</b>						
Accounts Payable	37,956		3,220		41,176	20,135
Unearned Revenue	68,154		-		68,154	45,657
Security Deposits	108,680		-		108,680	108,680
Loans Payable - Current Portion	77,777		-		77,777	76,749
Bonds Payable - Noncurrent Portion	119,029		-		119,029	115,205
<b>Total Current Liabilities</b>	<b><u>411,596</u></b>		<b><u>3,220</u></b>		<b><u>414,816</u></b>	<b><u>366,426</u></b>
Loans Payable - Noncurrent Portion	2,315,188		-		2,315,188	2,341,460
Bonds Payable - Noncurrent Portion	2,805,044		-		2,805,044	2,850,337
<b>Total Noncurrent Liabilities</b>	<b><u>5,120,232</u></b>		<b><u>-</u></b>		<b><u>5,120,232</u></b>	<b><u>5,191,797</u></b>
<b>TOTAL LIABILITIES</b>	<b><u>5,531,828</u></b>		<b><u>3,220</u></b>	<b><u>-</u></b>	<b><u>5,535,048</u></b>	<b><u>5,558,223</u></b>
<b>EQUITY</b>	<b><u>\$ 10,379,356</u></b>	<b><u>\$ 3,381,516</u></b>	<b><u>\$ (3,220,240)</u></b>	<b><u>\$</u></b>	<b><u>10,540,632</u></b>	<b><u>\$ 10,414,100</u></b>

- (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, Grant Funds

**Genesee Gateway Local Development Corp.**  
**April 2020 Dashboard**  
**Profit & Loss - Accrual Basis**

	GGLDC		GABLLC		COMBINED	
	4 30 20	4 30 20	Eliminations	4 30 20	Combined YTD	
<u>Operating Revenues:</u>						
Grants	\$ 218,000	\$ -	\$ -	\$ 218,000	\$ 218,000	
Interest Income on Loans	503	-	-	503	7,516	
Rent	56,960	3,000	-	59,960	234,265	
Common Area Fees - Parks	-	-	-	-	5,500	
Fees	-	-	-	-	500	
Other Revenue	-	-	-	-	2,544	
<b>Total Operating Revenues</b>	<b>275,463</b>	<b>3,000</b>	<b>-</b>	<b>278,463</b>	<b>250,325</b>	
<u>Operating Expenses:</u>						
Operations & Maintenance	5,751	950	-	6,701	49,801	
Professional Services	19,962	-	-	19,962	45,065	
Econ. Dev. Program Support Grant	25,000	-	-	25,000	100,000	
Site Development Expense	5,320	-	-	5,320	5,320	
Depreciation	16,406	-	-	16,406	65,628	
<b>Total Operating Expenses</b>	<b>72,439</b>	<b>950</b>	<b>-</b>	<b>73,389</b>	<b>265,814</b>	
<b>Operating Revenue (Expense)</b>	<b>203,024</b>	<b>2,050</b>	<b>-</b>	<b>205,074</b>	<b>202,511</b>	
<u>Non-Operating Revenues (Expenses):</u>						
Other Interest Income	630	52	-	682	7,320	
Interest Expense	(21,242)	-	-	(21,242)	(83,299)	
<b>Total Non-Operating Rev (Exp)</b>	<b>(20,612)</b>	<b>52</b>	<b>-</b>	<b>(20,560)</b>	<b>(75,979)</b>	
<b>Change in Net Assets</b>	<b>182,412</b>	<b>2,102</b>	<b>-</b>	<b>184,514</b>	<b>126,532</b>	
<b>Net Assets - Beginning</b>	<b>10,196,944</b>	<b>3,379,414</b>	<b>(3,220,240)</b>	<b>10,356,118</b>	<b>10,414,100</b>	
<b>Net Assets - Ending</b>	<b>\$ 10,379,356</b>	<b>\$ 3,381,516</b>	<b>\$ (3,220,240)</b>	<b>\$ 10,540,632</b>	<b>\$ 10,540,632</b>	

## **Genesee Gateway Local Development Corporation Audit and Finance Committee Charter**

This Audit and Finance Committee Charter was re-adopted on this \_\_\_\_\_, 2020 by the Board of Directors of the Genesee Gateway Local Development Corporation (GGLDC) a corporation as defined in subparagraph (a)(5) of Section 102 of the Not-For-Profit Corporation Law of the State of New York and, as provided in Section 1411 of the Not-For-Profit Corporation Law, a Type C Corporation as defined in Section 201 of the Not-For-Profit Corporation Law established under the laws of the State of New York.

### **Purpose**

Pursuant to Article IV, Section 1. of the GGLDC's bylaws, the purpose of the audit and finance committee shall be to (1) assure that the GGLDC's board fulfills its responsibilities for the GGLDC's internal and external audit process, the financial reporting process and the system of risk assessment and internal controls over financial reporting; (2) provide an avenue of communication between management, the independent auditors, and the board of directors; and (3) to review proposals for the issuance of debt and to make recommendations..

### **Powers of the Audit and Finance Committee**

It shall be the responsibility of the audit and finance committee to:

- Appoint, compensate, and oversee the work of any public accounting firm employed by the GGLDC.
- Conduct or authorize investigations into any matters within its scope of responsibility.
- Seek any information it requires from GGLDC employees, all of whom should be directed by the board to cooperate with committee requests.
- Meet with GGLDC staff, independent auditors or outside counsel, as necessary.
- Retain, at the GGLDC's expense, such outside counsel, experts and other advisors as the audit and finance committee may deem appropriate.
- Review proposals for debt issuance and to make recommendations.

The GGLDC board will ensure that the audit and finance committee have sufficient resources to carry out its duties.

### **Composition of Committee and Selection of Members**

The audit and finance committee shall be established as set forth in and pursuant to Article IV, Section 1 of the GGLDC's bylaws. The audit and finance committee shall consist of the Board Chair and at least three additional "independent members", within the meaning of, and to the extent required by, Section 2825 of New York Public Authorities Law, as amended from time to time. The audit and finance committee members shall be appointed by the Board Chair.



Ideally, all members of the audit and finance committee shall possess or obtain a basic understanding of governmental financial reporting and auditing.

The audit and finance committee shall have access to the services of at least one financial expert; whose name shall be disclosed in the annual report of the GGLDC.

The audit and finance committee's financial expert should have 1) an understanding of generally accepted accounting principles and financial statements; 2) experience in preparing or auditing financial statements of comparable entities; 3) experience in applying such principles in connection with accounting for estimates, accruals and reserves; 4) experience with internal accounting controls, 5) experience with debt issuances, and 6) an understanding of audit and finance committee functions.

### **Meetings**

The audit and finance committee will meet a minimum of twice a year, with the expectation that additional meetings may be required to adequately fulfill all the obligations and duties outlined in the charter.

Members of the audit and finance committee are expected to attend such committee meeting. The audit and finance committee may invite other individuals, such as members of management, auditors or other technical experts to attend meetings and provide pertinent information as necessary.

The audit and finance committee will meet with the authority's independent auditor at least annually to discuss the financial statements of the GGLDC.

Meeting agendas will be prepared for every meeting and provided to the audit and finance committee members along with the briefing materials 2 business days before the scheduled audit and finance committee meeting. The audit and finance committee will act only on the affirmative vote of a majority of the members at a meeting. Minutes of those meetings will be recorded.

### **Responsibilities**

The audit and finance committee shall have responsibilities related to: (a) the independent auditor and the annual financial statements; (b) the GGLDC's internal auditors (if any); (c) oversight of management's internal controls, compliance and risk assessment practices; (d) special investigations and whistleblower policies; (e) issuances of debt and (f) miscellaneous issues related to the financial practices of the GGLDC.

The audit and finance committee shall also be responsible for reviewing financial statement accuracy and review of Revolving Loan Fund requests.



**A. Independent Auditors and Financial Statements**

The audit and finance committee shall:

- Recommend to the board of the GGLDC the appointment of independent auditors retained by the GGLDC and pre-approve all audit services provided by the independent auditor.
- Establish procedures for the engagement of the independent auditor to provide permitted audit services. The GGLDC's independent auditor shall be prohibited from providing non-audit services unless having received previous written approval from the audit and finance committee. Non-audit services include tasks that directly support the GGLDC's operations, such as bookkeeping or other services related to the accounting records or financial statements of the authority, financial information systems design and implementation, appraisal or valuation services, actuarial services, investment banking services, and other tasks that may involve performing management functions or making management decisions.
- Review and approve the GGLDC's audited financial statements, associated management letter, report on internal controls and all other auditor communications.
- Review significant accounting and reporting issues, including complex or unusual transactions and management decisions, and recent professional and regulatory pronouncements, and understand their impact on the financial statements.
- Meet with the independent audit firm on a regular basis to discuss any significant issues that may have surfaced during the course of the audit.
- Review and discuss any significant risks reported in the independent audit findings and recommendations and assess the responsiveness and timeliness of management's follow-up activities pertaining to same.

**B. Internal Controls, Compliance and Risk Assessment**

The audit and finance committee shall:

- Review management's assessment of the effectiveness of the GGLDC's internal controls and review the report on internal controls by the independent auditor as part of the financial audit engagement.

**C. Special Investigations**

The audit and finance committee shall:

- Ensure that the GGLDC has an appropriate confidential mechanism for individuals to report suspected fraudulent activities, allegations of corruption, fraud, criminal activity, conflicts of interest or abuse by the directors, officers, or employees of the authority or any persons having business dealings with the GGLDC, or breaches of internal control.
- Develop procedures for the receipt, retention, investigation and/or referral of complaints concerning accounting, internal controls and auditing to the appropriate body.
- Request and oversee special investigations as needed and/or refer specific issues to the appropriate body for further investigation (for example, issues may be referred to the State Inspector General or, other investigatory organization.)
- Review all reports delivered to it by the Inspector General and serve as a point of contact with the Inspector General.

**D. Other Responsibilities of the Audit and Finance committee**

The audit and finance committee shall:

- Present annually to the GGLDC's board a report of how it has discharged its duties and met its responsibilities as outlined in the charter.
- Obtain any information and training needed to enhance the committee members' understanding of the role of internal audits and the independent auditor, the risk management process, internal controls and a certain level of familiarity in financial reporting standards and processes.
- Review the committee's charter annually, reassess its adequacy, and recommend any proposed changes to the board of the authority. The audit and finance committee charter will be updated as applicable laws, regulations, accounting and auditing standards change.
- Conduct an annual self-evaluation of its performance, including its effectiveness and compliance with the charter and request the board approval for proposed changes.
- Review proposals for the issuance of debt and to make recommendations.