

**Genesee County Funding Corporation**

Meeting Agenda  
 Friday, March 26, 2021  
 Location: Electronically  
 10:00 a.m.

	<b>Topic</b>	<b>Page #’s</b>	<b>Discussion Leader</b>	<b>Desired Outcome</b>
<b>1.</b>	Call To Order – Enter Public Session		P. Zeliff	
<b>2a.</b>	Additions / Deletions to the Agenda			
<b>2b.</b>	Minutes: March 25, 2020	<b>2-6</b>		<b>Vote</b>
<b>3.</b>	GCFC 1+3 Budget	<b>7</b>	L. Farrell	Disc / Vote
<b>4.</b>	2020 Audited Financial Statements	8-41	L. Farrell	Disc / Vote
<b>5.</b>	Mission Statement & Measurement Report	42-43	L. Farrell	Disc / Vote
<b>6.</b>	Authority Self-Evaluation of Prior Year Performance	<b>44</b>	L. Farrell	Disc / Vote
<b>7.</b>	Policy & Procedures (PAAA & PARA)		L. Farrell	Disc / Vote
	a. Procurement Policy & Procedures	45-46		
	b. Disposition of Property Guidelines	47-50		
	c. Investment Policy	51-56		
	d. Governance Committee Charter	57-59		
	e. Audit and Finance Committee Charter	60-62		
<b>8.</b>	Officer’s, Signers of Agreements & Contracts, Bank Account Signers, Bank Authorizations	63	L. Farrell	Disc / Vote
<b>9.</b>	Audit / Finance Committee Appointments	64	L. Farrell	Disc / Vote
<b>10.</b>	Governance Committee Appointments	65	L. Farrell	Disc / Vote
<b>11.</b>	PARIS Reporting		L. Farrell	Disc / Vote
	a. Investment Report	66-67		
	b. Procurement Report	68-69		
<b>12.</b>	Assessment of the Effectiveness of Internal Controls	70	L. Farrell	Disc / Vote
<b>13.</b>	Board Self-Evaluation Results	71	L. Farrell	Discussion
<b>14.</b>	Adjournment		P. Zeliff	Vote

GENESEE COUNTY FUNDING CORPORATION
Wednesday, March 25, 2020
1:00 p.m. – Electronically

ATTENDANCE

Board Members: M. Marshall, T. Turnbull, P. Battaglia, P. Zeliff, H. Upson, W. Lapple
Staff: L. Farrell, L. Casey, C. Suozzi, J. Krencik, M. Masse
Guests:
Absent:

1. Call to Order

P. Battaglia called the meeting of the Genesee County Funding Corporation Board to order at 1:02 p.m.

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 220.1 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.

2a. Additions / Deletions to the Agenda

None.

2b. Minutes: April 23, 2019

P. Zeliff made a motion to approve the April 23, 2019 meeting minutes as presented; the motion was seconded by M. Marshall. Roll call resulted as follows:

P. Battaglia - Yes W. Lapple - Yes
H. Upson - Yes T. Turnbull - Yes
M. Marshall - Yes P. Zeliff - Yes

The item was approved as presented.

3. GCFC 1+3 Budget

L. Farrell provided the 1+3 budget to the Board for review in the Board packet. The 1+3 Budget is required to be entered into the NYS Public Authorities Reporting Information System (PARIS) every year. L. Farrell noted that in 2020 there is a placeholder for professional services of \$3,500 to cover expenses related to the annual audit and \$50,000 Grant to the GCEDC to support the Economic Development Program.

H. Upson made a motion to approve the GCFC 1+3 Budget; the motion was seconded by T. Turnbull. Roll call resulted as follows:

P. Battaglia - Yes W. Lapple - Yes
H. Upson - Yes T. Turnbull - Yes
M. Marshall - Yes P. Zeliff - Yes

The item was approved as presented.

4. 2019 Audited Financial Statements

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L. Farrell presented the 2019 Audited Financial Statements to the Board. The management letter states that no material deficiencies in internal controls were identified during the audit. It is their opinion that the audited financial statements present fairly, in all material respects, the financial position of the GCFC as of December 31, 2019 in accordance with accounting principles generally accepted in the United States of America.

**P. Zelif made a motion to accept the 2019 Audited Financial Statements as presented; the motion was seconded by H. Upson. Roll call resulted as follows:**

P. Battaglia -	Yes	W. Lapple -	Yes
H. Upson -	Yes	T. Turnbull -	Yes
M. Marshall -	Yes	P. Zelif -	Yes

**The item was approved as presented.**

**5. Mission Statement and Measurement Report**

L. Farrell shared that an authority's board must annually review the authority's mission statement and performance results to ensure that its mission has not changed and that the authority's performance goals continue to support its mission.

L. Farrell asked the Board to approve the Mission Statement & Measurement Report.

**W. Lapple made a motion to accept the Mission Statement & Measurement Report as presented; the motion was seconded by P. Zelif. Roll call resulted as follows:**

P. Battaglia -	Yes	W. Lapple -	Yes
H. Upson -	Yes	T. Turnbull -	Yes
M. Marshall -	Yes	P. Zelif -	Yes

**The item was approved as presented.**

**6. Authority Self-Evaluation of Prior Year Performance**

L. Farrell shared that Public Authorities are required to perform a self-evaluation of prior year's goals/measurements.

**2019 Measurements:**

1. Issue tax-exempt debt, as a conduit issuer, to meet the needs of non-profit enterprises in Genesee County as required.

**2019 Results:**

1. During the year ended December 31, 2019 the GCFC issued one tax-exempt revenue bond. A bond in the amount of \$4,680,000 was issued to the Genesee Community College Foundation to renovate existing dormitory buildings, including updated technology, a more modern setting, updating facilities, amenities and safety improvements. Renovations will assist with meeting disability access issues as well.

L. Farrell asked the Board to approve the Authority Self-Evaluation of Prior Year Performance.

**P. Zelif made a motion to the Authority Self-Evaluation of the Prior Year Performance as presented; the motion was seconded by T. Turnbull. Roll call resulted as follows:**

P. Battaglia -	Yes	W. Lapple -	Yes
H. Upson -	Yes	T. Turnbull -	Yes
M. Marshall -	Yes	P. Zelif -	Yes

**The item was approved as presented.**

**7. Policy & Procedures (PAAA & PARIS)**

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There were no changes made to the policies listed below.

- a) Procurement Policy & Procedures
- b) Disposition of Property Guidelines
- c) Investment Policy
- d) Governance Committee Charter
- e) Audit and Finance Charter

L. Farrell asked the Board to reaffirm the Policies & Procedures.

**M. Marshall made a motion to approve the Policies & Procedures as presented; the motion was seconded by H. Upson. Roll call resulted as follows:**

P. Battaglia -	Yes	W. Lapple -	Yes
H. Upson -	Yes	T. Turnbull -	Yes
M. Marshall -	Yes	P. Zelif -	Yes

**The item was approved as presented.**

**8. Officer's Signers of Agreements & Contracts, Bank Account Signers, Bank Authorizations**

L. Farrell requested a reappointment and authorization of the following:

**Officers:**

- P. Battaglia, Chairman
  - P. Zelif, Vice Chairman
  - H. Upson, Treasurer
  - T. Turnbull, Secretary
- \*The GCFC Chair and Vice Chair positions are to be held by the GCEDC Chair and Vice Chair, respectively.

**Signors of agreements, contracts, deeds and other instruments as follows:**

- Chairman
- Vice Chairman
- Secretary

**Bank Account Authorized Signers:**

Board Members

- P. Battaglia
- P. Zelif
- H. Upson
- T. Turnbull

\*All GCFC checks must be signed by two authorized signers

**Authorized to request information regarding all bank accounts and to transfer funds between like named accounts for the GCFC:**

- L. Farrell
- P. Kennett

**P. Zelif made a motion to approve the Officers, Signers of Agreements & Contracts, Bank Account Signers and Bank Authorizations as presented; the motion was seconded by W. Lapple. Roll call resulted as follows:**

P. Battaglia -	Yes	W. Lapple -	Yes
H. Upson -	Yes	T. Turnbull -	Yes
M. Marshall -	Yes	P. Zelif -	Yes

**The item was approved as presented.**

**9. Audit / Finance Committee Appointments**

L. Farrell reviewed the following with the Board:

**Audit and Finance Committee Members:**

- P. Battaglia (Committee Chair)
- T. Turnbull
- H. Upton

**H. Upson made a motion to approve the Audit / Finance Committee Appointments as presented; the motion was seconded by W. Lapple. Roll call resulted as follows:**

P. Battaglia -	Yes	W. Lapple -	Yes
H. Upson -	Yes	T. Turnbull -	Yes
M. Marshall -	Yes	P. Zeliff -	Yes

**The item was approved as presented.**

**10. Governance Committee Appointments**

L. Farrell reviewed the following with the Board:

**Governance Committee Members**

- H. Upson (Committee Chair)
- M. Marshall
- P. Zeliff

**T. Turnbull made a motion to approve the Governance Committee Appointments as presented; the motion was seconded by P. Zeliff. Roll call resulted as follows:**

P. Battaglia -	Yes	W. Lapple -	Yes
H. Upson -	Yes	T. Turnbull -	Yes
M. Marshall -	Yes	P. Zeliff -	Yes

**The item was approved as presented.**

**11. PARIS Reporting**

L. Farrell asked the Board to authorize submission of the Investment Report and Procurement Report into the PARIS Reporting System.

- a) Investment Report** - The Investment Report summarizes bank balances and interest income at 12/31/19. The report will be submitted into PARIS.
- b) Procurement Report** - 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.

**P. Zeliff made a motion to approve the Investment and Procurement Reports as presented; the motion was seconded by H. Upson. Roll call resulted as follows:**

P. Battaglia -	Yes	W. Lapple -	Yes
H. Upson -	Yes	T. Turnbull -	Yes
M. Marshall -	Yes	P. Zeliff -	Yes

**The item was approved as presented.**

**12. Assessment of the Effectiveness of Internal Controls**

L. Farrell shared that this assessment is required to be done annually and that this report remains the same as previous years. The report references the GCEDC because the GCFC relies on the GCEDC's internal control structure.

**P. Zeliff made a motion to approve the Assessment of the Effectiveness of Internal Controls as presented; the motion was seconded by H. Upson. Roll call resulted as follows:**

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P. Battaglia - Yes  
H. Upson - Yes  
M. Marshall - Yes

W. Lapple - Yes  
T. Turnbull - Yes  
P. Zeliff - Yes

**The item was approved as presented.**

**13. Board Self-Evaluations Results**

This evaluation is performed annually and submitted to the Authorities Budget Office. The Self-Evaluation is meant to be a tool for the Board to discuss any problems or concerns that may arise as a result of this evaluation. The results of the evaluation do not reflect any major concerns.

**14. \$50,000 Grant to GCEDC to Support Economic Development Program**

L. Farrell stated that the GCFC received \$65,000 from a 2019 project. L. Farrell requested that \$50,000 is granted to the GCEDC to support the Economic Development Program. The GCFC will maintain the remaining funds of \$15,000 for operational expenses.

**P. Zeliff made a motion to grant \$50,000 to the GCEDC to support the Economic Development Program; the motion was seconded by W. Lapple. Roll call resulted as follows:**

P. Battaglia - Yes  
H. Upson - Yes  
M. Marshall - Yes

W. Lapple - Yes  
T. Turnbull - Yes  
P. Zeliff - Yes

**The item was approved as presented.**

**15. Adjournment**

There being no further business, a motion was made to adjourn the meeting at 1:22 p.m. by P. Battaglia, seconded by H. Upson and approved by all members.

Budget Report for Genesee County Funding Corporation

Fiscal Year Ending: 12/31/2021

Run Date: 10/30/2020  
Status: CERTIFIED  
Certified Date: 10/30/2020

**Budget & Financial Plan**

**Budgeted Revenues, Expenditures, And Changes in Current Net Assets**

	Last Year (Actual) 2019	Current Year (Estimated) 2020	Next Year (Adopted) 2021	Proposed 2022	Proposed 2023	Proposed 2024
<b>REVENUE &amp; FINANCIAL SOURCES</b>						
<b>Operating Revenues</b>						
Charges For Services	\$65,000.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Rentals & Financing Income	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Operating Revenues	\$74.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Non-Operating Revenues</b>						
Investment Earnings	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
State Subsidies / Grants	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Federal Subsidies / Grants	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Municipal Subsidies / Grants	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Public Authority Subsidies	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Non-Operating Revenues	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Proceeds From The Issuance Of Debt	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Revenues &amp; Financing Sources</b>	<b>\$65,074.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
<b>EXPENDITURES</b>						
<b>Operating Expenditures</b>						
Salaries And Wages	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Employee Benefits	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Professional Services Contracts	\$2,700.00	\$3,000.00	\$3,500.00	\$3,500.00	\$3,500.00	\$3,500.00
Supplies And Materials	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Operating Expenditures	\$74.00	\$50,000.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Non-Operating Expenditures</b>						
Payment Of Principal On Bonds And Financing Arrangements	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Interest And Other Financing Charges	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Subsidies To Other Public Authorities	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Capital Asset Outlay	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Grants And Donations	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Other Non-Operating Expenditures	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Total Expenditures</b>	<b>\$2,774.00</b>	<b>\$53,000.00</b>	<b>\$3,500.00</b>	<b>\$3,500.00</b>	<b>\$3,500.00</b>	<b>\$3,500.00</b>
Capital Contributions	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
<b>Excess (Deficiency) Of Revenues And Capital Contributions Over Expenditures</b>	<b>\$62,300.00</b>	<b>(\$53,000.00)</b>	<b>(\$3,500.00)</b>	<b>(\$3,500.00)</b>	<b>(\$3,500.00)</b>	<b>(\$3,500.00)</b>

GENESEE COUNTY FUNDING  
CORPORATION

REPORT TO THE BOARD OF DIRECTORS

Year Ended December 31, 2020

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**MOSTERT, MANZANERO & SCOTT, LLP**  
*Certified Public Accountants*

Deborah L. Mostert, CPA  
Anthony T. Manzanero, CPA  
Mary E. Manzanero, CPA  
David E. Brownell, CPA

March , 2021

Board of Directors  
Genesee County Funding Corporation  
Batavia, New York

Dear Members of the Board:

We are pleased to present the results of our audit of the financial statements of Genesee County Funding Corporation (GCFC) for the year ended December 31, 2020.

Our plan for the 2020 audit included a commitment to understand and deliver on management's expectations. Our approach to the audit was designed to combine a historical perspective with a focus on GCFC's industry and current emerging issues.

This report to the Board of Directors summarizes our audit process, the scope of our engagement, the reports issued and various observations related to GCFC's financial position and results of operations. The document also reviews the Board of Directors communications required by our professional standards, as well as current accounting issues that will affect GCFC.

The completion of this year's audit was accomplished through the effective support and the assistance of GCFC's personnel. As always, we strive to continually improve the quality of our audit services.

We appreciate the opportunity to serve you. If you have any questions or comments, please call us at (607) 432-8700.

Sincerely,

*Mostert, Manzanero & Scott, LLP*

Mostert, Manzanero & Scott, LLP

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## SUMMARY OF WHAT WE AGREED TO DO

### **Our Approach**

As communicated to the Board of Directors and management in our planning letter dated October 9, 2020, our audit plan represented an approach responsive to the assessment of risk of GCFC. Specifically, we designed our audit to:

- Issue an opinion on the financial statements of GCFC for the year ended December 31, 2020.
- Issue a management letter to the Board of Directors and management.
- Issue an Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
- Issue an Independent Auditor's Report on Compliance with Investment Guidelines for Public Authorities.

### **Areas of Audit Emphasis**

The principal areas of audit emphasis were as follows:

- Revenue and related receivables;
- Accounts payable;
- Audit risk assessment; and
- Related part activity.

## *REQUIRED COMMUNICATIONS*

Board of Directors  
Genesee County Funding Corporation  
Batavia, New York

We have audited the financial statements of Genesee County Funding Corporation (GCFC) for the year ended December 31, 2020, and we will issue our report thereon dated March , 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated October 9, 2020. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Audit Matters

#### *Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by GCFC are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by GCFC during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The financial statement disclosures are neutral, consistent and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We did not identify any misstatements required to be disclosed.

*Disagreements with Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements, or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

*Management Representations*

We have requested certain representations from management that are included in the management representation letter dated March 10, 2021.

*Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to GCFC's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

*Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as GCFC's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

*Other Matters*

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, contents, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Directors and management of Genesee County Funding Corporation and is not intended to be, and should not be, used by anyone other than these specified parties.

*Mistert, Manzanero & Scott, LLP*

Oneonta, New York  
March 10, 2021

## MANAGEMENT LETTER

Board of Directors  
Genesee County Funding Corporation  
Batavia, New York

In planning and performing our audit of the financial statements of Genesee County Funding Corporation (GCFC) as of for the year ended December 31, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered GCFC's internal control over financial reporting (internal control) as a basis for designing our audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of GCFC's internal control. Accordingly, we do not express an opinion on the effectiveness of GCFC's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, the Board of Directors and others within GCFC and is not intended to be, and should not be, used by anyone other than these specified parties.

Oneonta, New York  
March , 2021

*Mistert, Manzanero & Scott, LLP*

GENESEE COUNTY FUNDING  
CORPORATION

FINANCIAL STATEMENTS

Year Ended December 31, 2020

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GENESEE COUNTY FUNDING CORPORATION

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David E. Brownell, CPA

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Genesee County Funding Corporation  
Batavia, New York

We have audited the accompanying financial statements of Genesee County Funding Corporation (GCFC), which comprise the statement of net position as of December 31, 2020, and the related statements of revenues, expenses and change in net position and cash flows for the year then ended and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to GCFC's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of GCFC's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of GCFC as of December 31, 2020, and its changes in net position and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis on Page 4 be presented to supplement the financial statements. Such information, although not part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, and historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of bonds and leases outstanding in the supplemental information section is presented for purposes of additional analysis and is not a required part of the financial statements, but is supplemental information that is required for the NYS Public Authorities Reporting Information System (PARIS). Such information is the responsibility of management and is derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March , 2021 on our consideration of GCFC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of GCFC's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering GCFC's internal control over financial reporting and compliance.

**Other Reporting Required by New York State Public Authorities Law**

In accordance with New York State Public Authorities Law, we have also issued our report dated March , 2021, on our consideration of GCFC's compliance Section 2925 of New York State Public Authorities Law. The purpose of that report is to determine whether GCFC obtained and managed its investments in compliance with its own policies and relevant sections of the New York State Public Authorities Law.

Oneonta, New York  
March , 2021

*Mistert, Manzanero & Scott, LLP*

DRAFT

**GENESEE COUNTY FUNDING CORPORATION**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**YEAR ENDED DECEMBER 31, 2020**

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This section of the Genesee County Funding Corporation's (GCFC) annual financial report presents our discussion and analysis of GCFC's financial performance during the year ended December 31, 2020 and should be read in conjunction with the financial statements and accompanying notes.

**Overview of the Financial Statements**

This annual financial report is made of two parts: first management's discussion and analysis and secondly, the financial statements. GCFC was established by Genesee County in 2009 as a New York State Corporation organized under New York State Not-for-Profit Corporation Law. GCFC's mission is to assist local economic development efforts by serving in a conduit financing capacity enabling the issuance of taxable and non-taxable debt to benefit the growth, expansion, on-going operations and continued viability of eligible business enterprises in Genesee County. Genesee County is the sole member of the corporation.

GCFC follows enterprise fund reporting. These statements are presented in a manner similar to a private business.

**Financial Analysis of GCFC**

GCFC approved a \$50,000 grant to the Genesee County Economic Development Center (GCEDC) to support economic development.

**Contacting GCFC's Financial Management**

This financial report is designed to provide the public with a general overview of GCFC's finances and to demonstrate accountability for the resources at its disposal. If you have any questions about this report or need additional financial information, contact the Genesee County Funding Corporation located at the Dr. Bruce A. Holm Upstate MedTech Centre, 99 MedTech Dr., Suite 106, Batavia, New York 14020.

GENESEE COUNTY FUNDING CORPORATION

STATEMENT OF NET POSITION

DECEMBER 31, 2020

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ASSETS	
<b>Current assets:</b>	
Cash and cash equivalents	\$ <u>19,421</u>
Total assets	<u>19,421</u>
<b>NET POSITION</b>	
<b>Net position:</b>	
Unrestricted	<u>19,421</u>
Total net position	\$ <u><u>19,421</u></u>

draft

companying notes.

GENESEE COUNTY FUNDING CORPORATION

STATEMENT OF REVENUES, EXPENSES  
AND CHANGE IN NET POSITION

YEAR ENDED DECEMBER 31, 2020

**OPERATING REVENUES:**

Project fees	<b>draft</b>	\$	0
Miscellaneous income			0
Total operating revenues			<u>0</u>

**OPERATING EXPENSES:**

Professional fees	3,000
Economic support grant	<u>50,000</u>
Total operating expenses	<u>53,000</u>

**Change in net position** (53,000)

Net position - Beginning of period 72,421

Net position - End of period \$ 19,421

See accompanying notes.

GENESEE COUNTY FUNDING CORPORATION

STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2020

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Project fees	\$	0
Miscellaneous income		0
Professional fees		(3,000)
Economic support grant		<u>(50,000)</u>
Net cash used by operating activities		<u>(53,000)</u>
<b>Net decrease in cash and cash equivalents</b>		(53,000)
Cash and cash equivalents - Beginning of year		<u>72,421</u>
Cash and cash equivalents - End of year	\$	<u><u>19,421</u></u>

draft

**RECONCILIATION OF DECREASE IN OPERATING INCOME TO  
NET CASH USED IN OPERATING ACTIVITIES:**

Net operating deficit	\$	<u>(53,000)</u>
Net cash used by operating activities	\$	<u><u>(53,000)</u></u>

See accompanying notes.

GENESEE COUNTY FUNDING CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Genesee County Funding Corporation (GCFC) have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies are described below.

**Reporting Entity** – GCFC was established by Genesee County in 2009 as a New York State Corporation organized under New York State Not-for-Profit Corporation Law. GCFC's mission is to assist local economic development efforts by serving in a conduit financing capacity enabling the issuance of taxable and non-taxable debt to benefit the growth, expansion, on-going operations and continued viability of eligible business enterprises in Genesee County. Genesee County is the sole member of the corporation.

The financial reporting entity includes organizations, functions, and activities over which appointed officials exercise oversight responsibility. Oversight responsibility is determined on the basis of financial interdependency, selection of governing agency, designation of management, ability to significantly influence operations, and accountability for fiscal matters.

The financial reporting entity consists of (a) the primary entity which is the Genesee County Funding Corporation, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary entity is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The decision to include a potential unit in GCFC's reporting entity is based on several criteria including legal standing, fiscal dependency, and financial accountability, in accordance with U.S. GAAP.

Management has determined that GCFC is not a component unit of the Genesee County Industrial Development Agency, dba Genesee County Economic Development Center (GCEDC) in accordance with U.S. GAAP.

**Basis of Presentation** – GCFC's basic financial statements consist of three statements that provide information about GCFC's activities. The first statement is the statement of net position which lists all of GCFC's assets and liabilities, with the difference reported as net position. The second statement is the statement of revenues, expenses and change in net position, which details how GCFC's net position has changed during the current year based on the reporting of the revenues and expenses recognized by GCFC. The third statement is the statement of cash flows which reports the activities that provide or use the cash and cash equivalents of GCFC.



GENESEE COUNTY FUNDING CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)**

**Measurement Focus and Basis of Accounting** – GCFC’s financial statements are prepared in conformity with accounting principles generally accepted in the United States as applied to government units. The GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The financial statements of GCFC are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Nonexchange transactions, in which GCFC gives or receives value without directly receiving or giving equal value in exchange, include grants. Revenue from grants is recognized in the fiscal year in which all eligibility requirements have been satisfied.

**Net Position** – Equity is classified as net position and displayed in three components:

1. **Invested in capital assets** – consists of capital assets including restricted capital assets, net of accumulated depreciation.
2. **Restricted** – consists of net assets with constraints on the use either by (a) external groups such as creditors, grantors, contributors, laws or regulations of other governments, or (b) laws through constitutional provisions or enabling legislation.
3. **Unrestricted** – All other net assets that do not meet the definition of “investment in capital assets” or “restricted.”

**Income Tax** – GCFC is a quasi-governmental organization. GCFC is not subject to federal or state income taxes, nor is it required to file federal or state income tax returns, therefore, no provision for income taxes is reflected in these financial statements.

**Cash and Cash Equivalents** – GCFC’s cash and cash equivalents consists of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

**Statement of Cash Flows** – For the purposes of the statement of cash flows, GCFC considers cash and cash equivalents to be all unrestricted and restricted cash accounts including demand accounts and certificates of deposit with an original maturity date of three months or less.

**Accounting Pronouncements** – On May 8, 2020, the GASB issued Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance* in response to the COVID-19 pandemic. The effective dates of GASB Statements not yet implemented by GCFC have been updated below to reflect the impact of this Statement. There were no new GASB Statements implemented by GCFC for the year ended December 31, 2020.

GENESEE COUNTY FUNDING CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)**

The following are GASB Statements that have been issued recently and are currently being evaluated, by GCFC, for their potential impact in future years:

- Statement No. 87, *Leases*, which will be effective for the year ending December 31, 2022;
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of the Construction Period*, which will be effective for the year ending December 31, 2021;
- Statement No. 91, *Conduit Debt Obligations*, which will be effective for the year ending December 31, 2022;
- Statement No. 92, *Omnibus 2020*, which will be effective for the year ending December 31, 2022;
- Statement No. 93, *Replacement of Interbank Offered Rates*, which will be effective for the year ending December 31, 2021, except for paragraph 11b, which will be effective for the year ending December 31, 2022;
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Arrangements*, which will be effective for the year ending December 31, 2023;
- Statement No. 96, *Subscription-Based Information Technology Arrangements*, which will be effective for the year ending December 31, 2023; and
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-an amendment of GASB Statements No. 14 and 84, and a supersession of GASB Statement No. 32*, which will be effective for the year ending December 31, 2022.

**Use of Estimates in Preparation of Financial Statements** – The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affects the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

**Events Occurring After Reporting Date** – GCFC has evaluated subsequent events through March , 2021, which is the date the financial statements were available to be issued.

**NOTE 2 – REVENUE BONDS**

GCFC facilitates the issuance of tax-exempt and non-tax-exempt revenue bonds and notes. The bonds and notes are not the obligations of GCFC or the State of New York. GCFC does not record the assets or liabilities resulting from completed bonds and notes issued in its accounts, since its primary function is to arrange the financing between the borrowing companies and the bond and note holders, and the funds arising therefrom are controlled by trustees or banks acting as fiscal agents. For providing this service, GCFC receives bond administration fees from the borrowing organizations.

GENESEE COUNTY FUNDING CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

**NOTE 3 – RELATED PARTY TRANSACTIONS**

GCFC has related party relationships with the Genesee County Industrial Development Agency dba Genesee County Economic Development Center (GCEDC), and the Genesee Gateway Local Development Corporation (GGLDC).

During 2020, GCFC approved a \$50,000 grant to GCEDC to support economic development.

**NOTE 4 – CASH AND INVESTMENTS**

GCFC investment policies are governed by State statutes. In addition, GCFC has its own written investment policy. GCFC monies must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State. GCFC is authorized to use interest-bearing demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, repurchase agreements and obligations of the State of New York and its localities.

***Investment and Deposit Policy***

GCFC follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conformance with federal, state and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of the GCFC Treasurer.

***Interest Rate Risk***

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. GCFC investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

***Credit Risk***

GCFC policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. GCFC's investment and deposit policy authorizes the reporting entity to purchase the following types of investments:

- Interest bearing demand accounts
- Certificates of deposit
- Obligations of the U.S. Treasury and U.S. agencies
- Obligations of New York State and its localities

GENESEE COUNTY FUNDING CORPORATION

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2020

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**NOTE 4 – CASH AND INVESTMENTS (Cont'd.)**

***Custodial Credit Risk***

Custodial credit risk is that in the event of a failure of depository financial institution, the reporting entity may not recover its deposits. In accordance with GCFC's investment and deposit policy, all deposits of GCFC including interest bearing demand deposit accounts and certificates of deposit, in excess of the amount insured under the provisions of the FDIC shall be secured by a pledge of securities with an aggregate value equal to 100% of the aggregate amount of deposits. GCFC restricts the securities to the following eligible items:

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the U.S. Treasury and agencies.
- Obligations issued or fully insured or guaranteed by New York and its localities.
- Obligations issued by other than New York State rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.

**NOTE 5 – CONTINGENCIES**

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. This event is not expected to have a structural impact on GCFC.

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**MOSTERT, MANZANERO & SCOTT, LLP**  
*Certified Public Accountants*

Deborah L. Mostert, CPA  
Anthony T. Manzanero, CPA  
Mary E. Manzanero, CPA  
David E. Brownell, CPA

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

To the Board of Directors  
Genesee County Funding Corporation  
Batavia, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Genesee County Funding Corporation (GCFC) which comprise of the statement of net position as of and for the year ended December 31, 2020, and the related statements of revenues, expenses and change in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered GCFC's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of GCFC's internal control. Accordingly, we do not express an opinion on the effectiveness of GCFC's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of GCFC's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether GCFC's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of GCFC's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering GCFC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Moscut, Manzano & Scott, LLP*

Oneonta, New York  
March , 2021

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**MOSTERT, MANZANERO & SCOTT, LLP**  
*Certified Public Accountants*

Deborah L. Mostert, CPA  
Anthony T. Manzanero, CPA  
Mary E. Manzanero, CPA  
David E. Brownell, CPA

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH INVESTMENT GUIDELINES FOR PUBLIC AUTHORITIES

To the Board of Directors  
Genesee County Funding Corporation  
Batavia, New York

We have examined the Genesee County Funding Corporation's (GCFC) compliance with the New York State Comptroller's Investment Guidelines for Public Authorities and Section 2925 of the New York State Public Authorities Law (collectively, the "Investment Guidelines") for the year ended December 31, 2020. Management of GCFC is responsible for the GCFC's compliance with the specified requirements. Our responsibility is to express an opinion on GCFC's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether GCFC complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether GCFC complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination of GCFC's compliance with specified requirements.

In our opinion, GCFC complied, in all material respects, with the aforementioned requirements for the year ended December 31, 2020.

This report is intended solely for the information and use of the Board of Directors, management and others within GCFC and the New York State Authorities Budget Office, and is not intended to be and should not be used by anyone other than these specified parties.

*Mostert, Manzanero & Scott, LLP*

Oneonta, New York  
March , 2021

MEMBERS: American Institute of Certified Public Accountants, New York State Society of Certified Public Accountants  
National Conference of CPA Practitioners

Genesee County Funding Corp  
Schedule of Bonds and Leases Outstanding  
December 31, 2020

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Name of Project: **Genesee Gateway Local Development Corp.**  
Project Number: GCFC-2010-01  
Project Owner and address: 99 MedTech Drive, Suite 106, Batavia, NY 14020  
Project Closing Date: 9/3/2010  
Purpose: Construction of Upstate MedTech Centre  
Issue Amount: \$2,821,905  
Interest Rate: 2.52%  
Maturity Date: 9/1/2040  
Amount Outstanding: \$2,005,110  
Estimated Jobs: New - 0  
Retained - 0

draft

Name of Project: **Genesee Gateway Local Development Corp.**  
Project Number: GCFC-2011-01  
Project Owner and address: 99 MedTech Drive, Suite 106, Batavia, NY 14020  
Project Closing Date: 9/3/2010  
Purpose: Construction of Upstate MedTech Centre  
Issue Amount: \$1,078,095  
Interest Rate: 3.16%  
Maturity Date: 9/1/2035  
Amount Outstanding: \$822,255  
Estimated Jobs: New - 0  
Retained - 0



Genesee County Funding Corp  
Schedule of Bonds and Leases Outstanding  
December 31, 2020

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Name of Project:	<b>Genesee Community College</b>
Project Number:	GCFC-2014-01
Project Owner and address:	1 College Road, Batavia, NY 14020
Project Closing Date	4/2/2014
Purpose:	Refinancing of two existing buildings and construction of two new buildings for student housing.
Issue Amount:	\$4,870,891
Interest Rate:	3.42%
Maturity Date:	4/1/2034
Amount Outstanding:	\$3,517,446
Estimated Jobs:	New - 9 Retained - 12

draft

Name of Project:	<b>RJ Properties, LLC (Liberty Pumps)</b>
Project Number:	GCFC-2014-02
Project Owner and address:	7000 Apple Tree Ave, Bergen, NY 14416
Project Closing Date	10/27/2014
Purpose:	Approximately 100,000 square-foot addition to the existing building.
Issue Amount:	\$5,505,000
Interest Rate:	Variable
Maturity Date:	11/1/2035
Amount Outstanding:	\$4,273,780
Estimated Jobs:	New - 0 Retained - 0

Genesee County Funding Corp  
Schedule of Bonds and Leases Outstanding  
December 31, 2020

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Name of Project: **Mercy Flight, Inc.**

Project Number: GCFC-2017-01

Project Owner and address: Oak Orchard Road, Batavia, NY 14020

Project Closing Date 11/9/2017

Purpose: The ambulance company is constructing a new facility near Gateway II's Route 98 entrance in the Town of Batavia.

Issue Amount: \$2,000,000

Interest Rate: Variable rate bond

Maturity Date: 11/1/2043

Amount Outstanding: \$1,898,757

Estimated Jobs: New - 0  
Retained - 47

draft

Name of Project: **Genesee Community College**

Project Number: GCFC-2019-01

Project Owner and address: 1 College Road, Batavia, NY 14020

Project Closing Date 6/25/2019

Purpose: Renovation of existing buildings for student housing.

Issue Amount: \$4,680,000

Interest Rate: 3.82%

Maturity Date: 6/25/2039

Amount Outstanding: \$4,640,785

Estimated Jobs: New - 1  
Retained - 15

Genesee County Funding Corporation  
Schedule of Bonds and Leases Terminating During the Year  
December 31, 2020

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Name of Project: **United Memorial Medical Center**  
Project Number: GCFC-2015-01 (A)  
Project Owner and address: 127 North Street, Batavia, NY 14020  
Project Closing Date 9/1/2015

draft

Purpose: The bond was paid in full in 2020. The company plans to construct and equip an 8,500 sq. ft. Cancer Treatment Center adjacent to UMMC main hospital building at 127 North St. Batavia, NY. The Cancer Treatment Center will provide needed services to the community that will include Medical Oncology, Infusion/Chemotherapy services and Radiation Oncology services.

Issue Amount: \$4,050,000  
Interest Rate: Variable rate bond - based upon the then prevailing Federal Home Loan Bank of New York's advance rate, plus 2%  
Maturity Date: 9/1/2036  
Amount Outstanding: \$0  
Estimated Jobs: New - 4  
Retained - 656

Genesee County Funding Corporation  
Schedule of Bonds and Leases Terminating During the Year  
December 31, 2020

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Name of Project: **United Memorial Medical Center**

Project Number: GCFC-2015-01 (B)

Project Owner and address: United Memorial Medical Center  
127 North Street, Batavia, NY 14020

Project Closing Date: 9/1/2015

Purpose: The bond was paid in full in 2020. The company plans to construct and equip an 8,500 sq. ft. Cancer Treatment Center adjacent to UMMC main hospital building at 127 North St. Batavia, NY. The Cancer Treatment Center will provide needed services to the community that will include Medical Oncology, Infusion/Chemotherapy services and Radiation Oncology services.

Issue Amount: \$1,800,000

Interest Rate: Variable rate bond - based upon the then prevailing Federal Home Loan Bank of New York's advance rate, plus 2%

Maturity Date: 9/1/2023

Amount Outstanding: \$0

Estimated Jobs: New - 0  
Retained - 0

draft

**Genesee County Funding Corporation**  
**99 MedTech Drive, Suite 106**  
**Batavia, NY 14020**

March 26, 2021

Mostert, Manzanero & Scott, LLP  
4 Associate Drive  
Oneonta, NY 13820

This representation letter is provided in connection with your audit of the financial statements of Genesee County Funding Corporation (GCFC), which comprise of the statement of net position as of December 31, 2020, and the related statements of revenues, expenses and change in net position and cash flows for the year then ended, and the disclosures (collectively the "financial statements"). for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of March 26, 2021, the following representations made to you during your audit.

**Financial Statements**

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated October 9, 2020, including our responsibility for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP and for preparation of the supplementary information in accordance with the applicable criteria.
2. The financial statements referred to above are fairly presented in conformity with U.S. GAAP.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.
4. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
5. Significant assumptions we used in making accounting estimates, including those measured at fair value, are reasonable.

6. Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with U.S. GAAP.
7. All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure has been adjusted or disclosed.
8. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statement as a whole. There are no uncorrected misstatements that have not been corrected.
9. The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with U.S. GAAP.
10. Guarantees, whether written or oral, under which GCFC is contingently liable, have been properly disclosed.

#### **Information Provided**

11. We have provided you with:
  - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records (including information obtained from outside of the general and subsidiary ledgers), documentation, all audit or relevant monitoring reports, if any, received from funding sources, and other matters.
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within GCFC from whom you determined it necessary to obtain audit evidence.
  - d. Minutes of meetings of GCFC or summaries of actions of recent meetings for which minutes have not yet been prepared.
12. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
13. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
14. We have no knowledge of any fraud or suspected fraud that affect GCFC and involves:
  - a. Management;
  - b. Employees who have significant roles in internal control; or
  - c. Others where the fraud could have a material effect on the financial statements.
15. We have no knowledge of any allegations of fraud or suspected fraud affecting GCFC's financial statements communicated by employees, former employees, regulators, or others.

16. We have no knowledge of instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts or grant agreements, or waste or abuse, whose effects should be considered when preparing the financial statements.
17. We are not aware of any pending or threatened litigation, claims or assessments, or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims or assessments.

### **Government – Specific**

18. We have disclosed to you the names of GCFC's related party and all the related parties and all the related party relations and transactions, including any side agreements .
19. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
20. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
21. GCFC has no plans or intentions that may materially affect the carrying value or classification of assets, deferred outflows of resources, liabilities, deferred inflows of resources, or net position.
22. We are responsible for compliance with the laws, regulations and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and legal and contractual provisions for reporting specific activities in separate funds.
23. We have no knowledge of any instances that have occurred or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that we believe have a material effect on the financial statements or other financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.
24. We have now knowledge of any instances, which have occurred or are likely to have occurred, of noncompliance with provisions of contracts and grant agreements that we believe have a material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
25. We have no knowledge of any instances that have occurred or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements or other financial data significant to the audit objectives.
26. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.

27. As part of your audit, you assisted with preparation of the financial statements and related notes. We acknowledge our responsibility as it relates to those nonaudit services, including that we assume all management responsibilities; oversee the services by designating an individual, preferably within senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services performed; and accept responsibility for the results of the services. We have reviewed, approved, and accepted responsibility for those financial statements and related notes.
28. GCFC has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
29. GCFC has complied with all aspects of contractual agreements that would have a material effect on the consolidated financial statements in the event of noncompliance.
30. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 34, as amended, and GASB No. 84.
31. Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.
32. Expenses have been appropriately classified in or allocated to functions and programs in the statement of revenues, expenses and changes in net position, and allocations have been made on a reasonable basis.
33. Revenues are appropriately classified in the statement of revenues, expenses and changes in net position within operating revenues and non-operating revenues.
34. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly disclosed.
35. We have appropriately disclosed GCFC's policy regarding whether to first apply restricted and unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available and have determined that net assets were properly recognized under the policy.
36. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
37. With respect to the supplementary information, we acknowledge our responsibility for presenting the supplemental information in the financial statements in accordance with U.S. GAAP and we believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.



38. We have evaluated and classified any subsequent events as recognized or nonrecognized and disclosed the date through which this determination was made. No events, including instances of noncompliance, have occurred subsequent to the consolidated statement of financial position date and through the date of this letter that would require adjustment to or disclosure in the aforementioned consolidated financial statements.

Signed: \_\_\_\_\_

## New York State Local Public Authority Mission Statement and Measurement Report

**Local Public Authority Name:** Genesee County Funding Corporation (GCFC)

**Fiscal Year:** January 1, 2021 – December 31, 2021

**Enabling Legislation** (enables Local Public Authority Mission Statement): LDCs are formed and empowered to conduct certain projects pursuant to Not-For-Profit Corporation Law § 1411. Distinguished from IDAs (which exist as public benefit corporations), LDCs are established as charitable corporations that are empowered to construct, acquire, rehabilitate and improve for use by others, industrial or manufacturing plants in the territory in which its operations are principally to be conducted (“Benefited Territory”) and to make loans. LDCs can provide financial assistance for the construction, acquisition, rehabilitation, improvement, and maintenance of facilities for others in its Benefited Territory. Specific LDC powers include the ability to: (i) disseminate information and furnish advice, technical assistance and liaison services to Federal, State and local authorities; (ii) to acquire by purchase, lease, gift, bequest, devise or otherwise, real or personal property; and (iii) to borrow money and to issue negotiable bonds, notes and other obligations. LDCs are empowered to sell, lease, mortgage or otherwise dispose of or encumber facilities or any real or personal property or any interest therein.

**Mission Statement:** GCFC’s mission is to assist local economic development efforts by serving in a conduit financing capacity enabling the issuance of taxable and non-taxable debt to benefit the growth, expansion, on-going operations and continued viability of non-profit and for-profit business enterprises in Genesee County thereby helping to maintain a sustainable long-term economy.

**2021 Measurements:**

1. Issue tax-exempt debt, as a conduit issuer, to meet the needs of non-profit and for-profit enterprises in Genesee County as required.

**Authority Stakeholder(s):** Genesee County Legislature

**Authority Beneficiaries:** The residents and taxing jurisdictions of Genesee County

**Authority Customers:** The non-profit and for-profit business community of Genesee County

**Authority self-evaluation of prior year performance** (based upon established measurements): To Be provided by March 31, 2022 related to 2021 performance.

**Governance Certification:**

1. Have the board members acknowledged that they have read and understood the mission of the public authority?

Board of Directors Response: Yes

2. Who has the power to appoint management of the public authority?

Board of Directors Response: The Board of Directors

3. If the Board appoints management, do you have a policy you follow when appointing the management of the public authority.

Board of Directors Response: The Board has not adopted a final, written policy; however, the Board follows the prudent and reasonable past practice of appointing responsible individuals.

4. Briefly describe the role of the Board and the role of management in the implementation of the mission.

Board of Directors Response: The role of the Board regarding the implementation of the public authority's mission is to provide strategic input, guidance, oversight, mission authorization, policy setting and validation of the authority's mission, measurements and results. The role of management is to collaborate with the board in strategy development / strategy authorization and to implement established programs, processes, activities and policies to achieve the public authority's mission.

5. Has the Board acknowledged that they have read and understood the response to each of these questions?

Board of Directors Response: Yes

**Authority Self-Evaluation of Prior Year Performance**

**Local Public Authority Name:** Genesee County Funding Corporation (GCFC)

**2020 Measurements:**

1. Issue tax-exempt debt, as a conduit issuer, to meet the needs of non-profit enterprises in Genesee County as required.

**2020 Results:**

1. During the year ended December 31, 2020, the GCFC did not issue any tax-exempt revenue bonds.

# GENESEE | Funding COUNTY | Corporation

## PROCUREMENT POLICY

### A. Introduction:

1. Scope – In accordance with the Public Authorities Accountability Act of 2005, the Genesee County Funding Corporation (the “Corporation”) is required to adopt procurement policies that will apply to the procurement of goods and services not subject to the competitive bidding requirements of New York State General Municipal Law and paid for by the Corporation for its own use and account.
2. Purpose –The primary objectives of this policy are to assure the prudent and economical use of public monies in the best interests of the taxpayers of a political subdivision or district, to facilitate the acquisition of goods and services of maximum quality at the lowest possible cost under the circumstances and to guard against favoritism, improvidence, extravagance, fraud and corruption.

### B. Procurement Policy

Any purchase/contract for goods or services with an annualized expenditure in excess of fifteen thousand (\$15,000) must adhere to the following:

#### Definitions:

*best value* - the basis for awarding all service purchases/contracts to the offerer which optimizes quality, cost and efficiency, among responsive and responsible offerers. Such basis shall be, whenever possible, quantifiable.

*responsible* - Such requirements may include, but are not limited to, the offerers' qualifications, financial stability and integrity.

*responsive* - Applies to the extent to which the offer has complied with the specifications or requirements of the solicitation for goods or services.

- 1) For the purchase of goods, proposals must be requested from a minimum of three (3) offerers. The lowest responsible, responsive bidder shall be accepted unless it is otherwise in the best interest of the Corporation, as justified in writing by the Contracting Officer of the Corporation. Such justification must be maintained in the procurement record.
- 2) For purchases of services, proposals must be requested from a minimum of three (3) offerers. The best value bidder shall be accepted unless it is otherwise in the best interest of the Corporation, as justified in writing by the Contracting Officer of the Corporation. Such justification must be maintained in the procurement record.

3) The requirement for competitive bidding may be waived upon prior written approval of the Contracting Officer provided that prior to the acceptance of such goods or services, a written statement is prepared describing the justification for waiving competitive bidding and the reasonableness of the proposed expenditure.

**Approved and readopted this March 26, 2021.**

# GENESEE | Funding COUNTY | Corporation

## THE GENESEE COUNTY FUNDING CORPORATION DISPOSITION OF PROPERTY GUIDELINES ADOPTED PURSUANT TO SECTION 2896 OF THE PUBLIC AUTHORITIES LAW

### SECTION 1. DEFINITIONS

A. "Contracting officer" shall mean the officer or employee of the Genesee County Funding Corporation (the "Corporation") who shall be appointed by resolution to be responsible for the disposition of property.

B. "Dispose" or "disposal" shall mean transfer of title or any other beneficial interest in personal or real property in accordance with section 2897 of the Public Authorities Law.

C. "Property" shall mean personal property in excess of five thousand dollars (\$5,000) in value, and real property, and any inchoate or other interest in such property, to the extent that such interest may be conveyed to another person for any purpose, excluding an interest securing a loan or other financial obligation of another party.

### SECTION 2. DUTIES

A. The Corporation shall:

- (i) maintain adequate inventory controls and accountability systems for all property owned by the Corporation and under its control;
- (ii) periodically inventory such property to determine which property shall be disposed of;
- (iii) produce a written report of such property in accordance with subsection B herewith; and
- (iv) transfer or dispose of such property as promptly and practicably as possible in accordance with Section 3 below.

B. The Corporation shall

- (i) publish, not less frequently than annually, a report listing all real property owned in fee by the Corporation. Such report shall consist of a list and full description of all real and personal property disposed of during such period. The report shall contain the price received by the Corporation and the name of the purchaser for all such property sold by the Corporation during such period; and
- (ii) shall deliver copies of such report to the Comptroller of the State of New York, the Director of the Budget of State of New York, the Commissioner of the New York State Office of General Services, and the New York State Legislature (via distribution to the majority leader of the senate and the speaker of the assembly).

### SECTION 3. TRANSFER OR DISPOSITION OF PROPERTY

A. Supervision and Direction. Except as otherwise provided herein, the duly appointed contracting officer (the "Contracting Officer") shall have supervision and direction over the disposition and sale of property of the Corporation. The Corporation shall have the right to dispose of its property for any valid corporate purpose.

B. Custody and Control. The custody and control of Corporation property, pending its disposition, and the disposal of such property, shall be performed by the Corporation or by the Commissioner of General Services when so authorized under this section.

C. Method of Disposition. Unless otherwise permitted, the Corporation shall dispose of property for not less than its fair market value by sale, exchange, or transfer, for cash, credit, or other property, with or without warranty, and upon such other terms and conditions as the Corporation and/or contracting officer deems proper. The Corporation may execute such documents for the transfer of title or other interest in property and take such other action as it deems necessary or proper to dispose of such property under the provisions of this section. Provided, however, no disposition of real property, any interest in real property, shall be made unless an appraisal of the value of such property has been made by an independent appraiser and included in the record of the transaction and provided further than no disposition of any other property which because of its unique nature or the unique circumstances of the proposed transaction is not readily valued by reference to an active market for similar property, shall be made without a similar appraisal.

D. Sales by the Commissioner of General Services (the "Commissioner"). When the Corporation shall have deemed that transfer of property by the Commissioner will be advantageous to the State of New York, the Corporation may enter into an agreement with the Commissioner of pursuant to which Commissioner may dispose of property of the Corporation under terms and conditions agreed to by the Corporation and the Commissioner. In disposing of any such property, the Commissioner shall be bound by the terms hereof and references to the contracting officer shall be deemed to refer to such Commissioner.

E. Validity of Deed, Bill of Sale, Lease, or Other Instrument. A deed, bill of sale, lease, or other instrument executed by or on behalf of the Corporation, purporting to transfer title or any other interest in property of the Corporation in accordance herewith shall be conclusive evidence of compliance with the provisions of these guidelines and all applicable law insofar as concerns title or other interest of any bona fide grantee or transferee who has given valuable consideration for such title or other interest and has not received actual or constructive notice of lack of such compliance prior to the closing.

F. Bids for Disposal; Advertising; Procedure; Disposal by Negotiation; Explanatory Statement.

(i) Except as permitted by all applicable law, all disposals or contracts for disposal of property made or authorized by the Corporation shall be made after publicly advertising for bids except as provided in subsection (iii) of this Section F.

(ii) Whenever public advertising for bids is required under subsection (i) of this Section F:

(A) the advertisement for bids shall be made at such time prior to the disposal or contract, through such methods, and on such terms and conditions as shall permit full and free competition consistent with the value and nature of the property proposed for disposition;

(B) all bids shall be publicly disclosed at the time and place stated in the advertisement; and



(C) the award shall be made with reasonable promptness by notice to the responsible bidder whose bid, conforming to the invitation for bids, will be most advantageous to the Corporation, price and other factors considered; provided, that all bids may be rejected at the Corporation's discretion.

(iii) Disposals and contracts for disposal of property may be negotiated or made by public auction without regard to subsections (i) and (ii) of this Section F but subject to obtaining such competition as is feasible under the circumstances, if:

(A) the personal property involved has qualities separate from the utilitarian purpose of such property, such as artistic quality, antiquity, historical significance, rarity or other quality of similar effect, that would tend to increase its value, or of the personal property is to be sold in such quantity that, if it were disposed of under subsections (i) and (ii) of this Section F, would adversely affect the state or local market for such property, and the estimated fair market value of such property and other satisfactory terms of disposal can be obtained by negotiation;

(B) the fair market value of the property does not exceed fifteen thousand dollars (\$15,000);

(C) bid prices after advertising therefore are not reasonable, either as to all or some part of the property, or have not been independently arrived at in open competition;

(D) the disposal will be to the state or any political subdivision or public benefit corporation, and the estimated fair market value of the property and other satisfactory terms of disposal are obtained by negotiation;

(E) under those circumstances permitted by subsection (v) below; or

(F) such action is otherwise authorized by law.

(iv) (A) An explanatory statement shall be prepared of the circumstances of each disposal by negotiation of:

(1) any personal property which has an estimated fair market value in excess of fifteen thousand dollars (\$15,000);

(2) any real property that has an estimated fair market value in excess of one hundred thousand dollars (\$100,000), except that any real property disposed of by lease or exchange shall only be subject to clauses (3) and (4) of this subparagraph;

(3) any real property disposed of by lease, if the estimated annual rent over the term of the lease is in excess of \$15,000; or

(4) any real property or real and related personal property disposed of by exchange, regardless of value, or any property any part of the consideration for which is real property; or

(5) any real property or real and related personal property disposed of by exchange, regardless of value, or any property any part of the consideration for which is real property.

(B) Each such statement shall be transmitted to the persons entitled to receive copies of the report required under Section 2(B) above not less than ninety (90) days in advance of such disposal, and a copy thereof shall be preserved in the files of the Corporation.

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**Genesee County Funding Corporation**

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(v) Disposal of Property for less than Fair Market Value (“FMV”)

(a) No assets owned, leased or otherwise in the control of the Corporation may be sold, leased or otherwise alienated for less than FMV except if:

- (1) Transferee is a government or public entity and terms of transfer require ownership and use to remain with the government or public entity; or
- (2) Purpose of transfer is within purpose, mission or statute of the Agency; or
- (3) Written notification to Governor, Speaker, and Temporary President. Such notification is subject to denial. Denial by Governor is in the form of a certification. Denial by legislature is in the form of a resolution. Denial must be made within 60 days of receiving notification during January through June. Provided no denial then Agency may effectuate transfer. If legislature receives the notification in July through December, then legislature may take 60 days from January 1 of the following year. However, the Agency may obtain local approval from the chief executive and legislature of the political subdivision in lieu of the notification to the Governor, Speaker and Temporary President provided the Agency’s enabling legislation provides for such approval and the property was obtained by the Agency from the political subdivision.

(b) If below FMV transfer is proposed, the following information is required to be provided to the authority’s board and the public:

- (1) Description of Asset;
- (2) Appraisal of the FMV of the asset;
- (3) Description of purpose of transfer, the kind and amount of the benefit to the public resulting from the transfer such as jobs and wages created or preserved;
- (4) Value received compared to FMV;
- (5) Names of private parties to the transaction and value received;
- (6) Names of private parties that have made an offer, the value of offer, and purpose for which the asset would have been used.

(c) Board must make a written determination that there is no reasonable alternative to the proposed below-market transfer that would achieve the same purpose of such transfer.

The guidelines are subject to modification and amendment at the discretion of the Corporation board and shall be filed annually with all local and state agencies as required under all applicable law.

The designated Contracting Officer for the Corporation is the Board Chair.

**Approved and readopted March 26, 2021.**

# GENESEE | Funding COUNTY | Corporation

## THE GENESEE COUNTY FUNDING CORPORATION INVESTMENT POLICY

### I. INVESTMENT AND DEPOSIT POLICY

#### A. Introduction

1. Scope – This investment and deposit policy applies to all monies and other financial resources available for investment and deposit on its own behalf or on behalf of any other entity or individual.
2. Objectives – The primary objectives of the Corporation’s investment activities are, in priority order:
  - a. to conform with all applicable federal, state and other legal requirements (legal);
  - b. to adequately safeguard principal (safety);
  - c. to provide sufficient liquidity to meet all operating requirements (liquidity); and
  - d. to obtain a reasonable rate of return (yield).
3. Prudence – All participants in the investment process and all participants responsible for depositing the Corporation’s funds shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair confidence in the Corporation to govern effectively.

Investments and deposits shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the safety of the principal as well as the probable income to be derived.

All participants involved in the investment process and all participants responsible for depositing the Corporation’s funds shall refrain from personal business activity that could conflict with proper execution of the investment program or the deposit of the Corporation’s funds or which could impair their ability to make impartial investment decisions.

4. Diversification – It is the policy of the Corporation to diversify its deposits and investments by financial institution, by investment instrument, and by maturity scheduling.

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**Genesee County Funding Corporation**

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5. Internal Controls

- a. All moneys collected by an officer or employee of the Corporation shall be immediately deposited in such depositories and designated by the Corporation for the receipt of such funds.
- b. The Corporation shall maintain or cause to be maintained a proper record of all book, notes, securities or other evidences of indebtedness held by the Corporation for investment and deposit purposes.
- c. The Corporation is responsible for establishing and maintaining an internal control structure to provide reasonable, but not absolute, assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly, and are managed in compliance with applicable laws and regulations.

1. Designation of Depositories

The Corporation shall designate as depositories of its money those banks and trust companies authorized to serve as such pursuant to applicable law.

B. Investment Policy

1. Permitted Investments

Pursuant to the Not-For-Profit Corporation Law ("N-PCL"), the Corporation is authorized to invest moneys not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments:

- a. Special time deposit accounts;\*
- b. Certificates of deposit;\*
- c. Obligations of the United States of America;\*\*
- d. Obligations guaranteed by agencies of the United States of America where payment of principal and interest are guaranteed by the United States of America;\*\*
- e. Obligations of the State of New York;\*

\*Special time deposit accounts and certificates of deposit are permitted investments provided that (1) they shall be payable within such time as the proceeds shall be needed to meet expenditures for which the moneys were obtained and (2) they are

collateralized in the same manner as set forth in paragraph (C) below for deposits of public funds.

\*\*All investment obligations shall be payable or redeemable at the option of the Corporation within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable at the option of the Corporation within two years of the date of purchase.

## 2. Authorized Financial Institutions and Dealers

The Corporation shall maintain a list of financial institutions and dealers, approved for investment purposes and establish appropriate limits to the amount of investments which can be made with each financial institution or dealer. All financial institutions with which the local government conducts business must be credit worthy. Banks shall provide their most recent Consolidated Report of Condition (Call Report) at the request of the Corporation. Security dealers not affiliated with a bank shall be required to be classified as reporting dealers affiliated with the New York Federal Reserve Bank, as primary dealers. The President/Chief Executive Officer or Chairperson of the Board is responsible for evaluating the financial position and maintaining a listing of proposed depositories, trading partners and custodians. Such listing shall be evaluated at least annually.

## 3. Purchase of Investments

The Corporation may contract for the purchase of investments:

- a. Directly, including through a repurchase agreement, from an authorized trading partner.
- b. By participation in a cooperative investment program with another authorized governmental entity pursuant to the N-PCL where such program meets all the requirements set forth in the Office of the State Comptroller Opinion No. 88-46, and the specific program has been authorized by the Board of Directors.
- c. By utilizing an ongoing investment program with an authorized trading partner pursuant to a contract authorized by the Board of Directors.

All purchased obligations, unless registered or inscribed in the name of the Corporation, shall be purchased through, delivered to and held in the custody of a bank or trust company. Such obligations shall be purchased, sold or presented for redemption or payment by such bank or trust company only in accordance with prior written authorization from the officer authorized to make the investment. All such transactions shall be confirmed in writing to the Corporation by the bank or trust company shall be held pursuant to a written custodial agreement as described in the N-PCL.

The custodial agreement shall provide that securities held by the bank or trust company, as agent of and custodian for, the Corporation, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or other liabilities. The agreement shall describe how the custodian shall confirm the receipt and release of the securities. Such agreement shall include all provisions necessary to provide the Corporation a perfected interest in the securities.

#### 4. Repurchase Agreements

Repurchase agreements are authorized subject to the following restrictions:

- a. All repurchase agreements must be entered into subject to a Master Repurchase Agreement.
- b. Trading partners are limited to banks or trust companies authorized to do business in New York State and primary reporting dealers.
- c. Obligations shall be limited to obligations of the United States of America and obligations guaranteed by agencies of the United States of America.
- d. No substitution of securities will be allowed.
- e. The custodian shall be a party other than the trading partner.

### C. Deposit Policy

#### I. Collateralization of Deposits

All deposits of the Corporation, including certificates of deposit and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured:

- a. By pledge of “eligible securities” with an aggregate “market value” as provided by the N-PCL, equal to the aggregate amount of deposits from the categories designated in Exhibit A attached hereto.
- b. By an eligible “irrevocable letter of credit” issued by a qualified bank other than the bank with the deposits in favor of the Corporation for a term not to exceed ninety (90) days with an aggregate value equal to 140% of the aggregate amount of deposits and the agreed upon interest, if any. A qualified bank is one whose commercial paper and other unsecured short-term debt obligations are rated in one of the three highest rating categories by at least on nationally recognized

statistical rating organization or by a bank that is in compliance with applicable federal minimum risk-based capital requirements.

- c. By an eligible surety bond payable to the Corporation for an amount at least equal to 100% of the aggregate amount of deposits and the agreed upon interest, if any, executed by an insurance company authorized to do business in New York State, whose claims-paying ability is rated in the highest rating category by at least two nationally recognized statistical rating organizations. The terms and conditions of any eligible surety shall be approved by the Board of Directors.

## 2. Safekeeping and Collateralization

Eligible securities used for collateralizing deposits shall be held by the depository bank or trust company subject to security and custodial agreements.

The security agreement shall provide that eligible securities are being pledged to secure Corporation deposits together with agreed upon interest, if any and any costs or expenses arising out of the collection of such deposits upon default. It shall also provide the conditions under which the securities may be sold, presented for payment, substituted or released and the events, which will enable the Corporation to exercise its rights against the pledged securities. In the event that the securities are not registered or inscribed in the name of the Corporation, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the Corporation or its custodial bank.

The custodial agreement shall provide that securities held by the bank or trust company, or agent of and custodian for, the Corporation, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of backing for any other deposit or other liabilities. The agreement should also describe that the custodian shall confirm the receipt, substitution or release of the securities. The agreement shall provide for the frequency of revaluation of eligible securities and for the substitution of securities when a change in the rating of a security may cause ineligibility. Such agreement shall include all provisions necessary to provide the Corporation a perfected interest in the securities.

**Approved and readopted March 26, 2021.**

## EXHIBIT A

### SCHEDULE OF ELIGIBLE SECURITIES

- (1) Obligations issued, or fully insured or guaranteed as to the payment of principal and interest by the United States of America, an Agency thereof or a United States government sponsored corporation.
- (2) Obligations issued or fully guaranteed by the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank and the African Development Bank.
- (3) Obligations partially insured or guaranteed by any Corporation of the United States of America, at a proportion of the Market Value of the obligation that represents the amount of the insurance or guaranty.
- (4) Obligations issued or fully insured or guaranteed by the State of New York, obligations issued by a municipal corporation, school district or district corporation or such State or obligations of any public benefit corporation which under a specific State statute may be accepted as security for deposit of public moneys.
- (5) Obligations issued by states (other than the State of New York) of the United States rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
- (6) Obligations of Puerto Rico rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.
- (7) Obligations of countries, cities and other governmental entities of a state other than the State of New York having the power to levy taxes that are backed by the full faith and credit of such governmental entity and rated in one of the three highest categories by at least one nationally recognized statistical rating organization.
- (8) Obligations of domestic corporations rated one of the two highest rating categories by at least one nationally recognized statistical rating organization.
- (9) Commercial paper and bankers' acceptances issued by a bank, other than the Bank, rated in the highest short term category by at least one nationally recognized statistical rating organization and having maturities of not longer than 60 days from the date they are pledged.
- (10) Zero Coupon obligations of the United States government marketed as "Treasury strips".



## GOVERNANCE COMMITTEE CHARTER

This Governance Committee Charter was adopted by the Board of Directors of the Genesee County Funding Corporation (GCFC) 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 GCFC's bylaws, the purpose of the governance committee is to assist the Board by:

- Keeping the Board informed of current best practices in corporate governance principles, and advise the Members and Directors on the skills and experience required of potential Directors.

### **Powers of the Governance Committee**

The Board of Directors has delegated to the governance committee the power and authority necessary to discharge its duties, including the right to:

- Meet with and obtain any information it may require from GCFC staff;
- Obtain advice and assistance from in-house or outside counsel, accounting and other advisors as the committee deems necessary;
- Solicit, at the GCFC's expense, persons having special competencies, including legal, accounting or other consultants as the committee deems necessary to fulfill its responsibilities. The governance committee shall have the authority to negotiate the terms and conditions of any contractual relationship to the Board's adopted procurement guidelines as per Public Authorities Law Section 2879, and to present such contracts to the Board for its approval.

### **Composition and Selection**

The membership of the committee shall be as set forth in accordance with and pursuant to Article IV, Section 1. (b) of the GCFC's bylaws. The governance committee shall be comprised of at least three Directors consisting entirely of "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 governance committee members shall be appointed by, and will serve at the discretion of the GCFC's Board of Directors. The Board may designate one member of the governance committee as its Chair. The members shall serve until their resignation, retirement, removal by the Board or until their successors shall be appointed and qualified. When feasible, the immediate past governance committee Chair will continue serving as a member of the Committee for at least one year to ensure an orderly transition.

Governance committee members shall be prohibited from being an employee of the GCFC or an immediate family member of an employee of the GCFC. In addition, governance committee members shall not engage in any private business transactions with the GCFC or receive compensation from any private entity that has material business relationships with the GCFC, or be an immediate family member of an individual that engages in private business transactions with the GCFC or receives compensation from an entity that has material business relationships with the GCFC.

The governance committee members should be knowledgeable or become knowledgeable in matters pertaining to governance.

### **Committee Structure and Meetings**

The governance committee will use best efforts to 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. All committee members are expected to attend each meeting, in person or via video conference.

A meeting agenda will be prepared for every meeting and provided to the governance committee at least two days in advance of the scheduled meeting, along with the appropriate materials needed to make informed decisions. The governance committee shall act only on the affirmative vote of a majority of the members. Minutes of these meetings are to be recorded.

### **Reports**

The governance committee shall:

- Report its actions and recommendations to the Board at the next regular meeting of the Board;
- Report to the Board, at least annually, regarding any proposed changes to the governance charter of the governance guidelines;
- Provide a self-evaluation of the governance committee's functions on an annual basis.

### **Responsibilities**

To accomplish the objectives of good governance and accountability, the governance committee has responsibilities related to: (a) the GCFC's Board; (b) evaluation of the GCFC's policies; and (c) other miscellaneous issues.

### **Relationship to the GCFC's Board**

The Board of Directors has delegated to the governance committee the responsibility to review, develop, draft, revise or oversee policies and practices for which the governance committee has specific expertise, as follows:

- Develop the GCFC's governance practices. These practices should address transparency, independence, accountability, fiduciary responsibilities, and management oversight;
- Develop the competencies and personal attributes required of Directors to assist those authorized to appoint members of the Board in identifying qualified individuals.

In addition, the governance committee shall:

- Develop and recommend to the Board the number and structure of committees to be created by the Board;
- Develop and provide recommendations to the Board regarding Board member education, including new member orientation and regularly scheduled board member training to be obtained from state-approved trainers;
- Develop and provide recommendations to the Board of performance evaluations, including coordination and oversight of such evaluations of the board, its committees and senior management in the GCFC's governance process.

### **Evaluation of the GCFC's Policies**

The governance committee shall:

- Develop, review on a regular basis, and update as necessary the GCFC's code of ethics and written policies regarding conflicts of interest. Such code of ethics and policies shall be at least as stringent as the laws, rules, regulations and policies applicable to state officers and employees;
- Develop and recommend to the Board any required revisions to the GCFC's written policies regarding the protection of whistleblowers from retaliation;
- Develop and recommend to the Board any required revisions to the GCFC's equal opportunity and affirmative action policies;
- Develop and recommend to the board any required updates on the GCFC's written policies regarding procurement of goods and services, including policies relating to the disclosure of persons who attempt to influence the GCFC's procurement process;
- Develop and recommend to the Board any required updates on the GCFC's written policies regarding the disposition of real and personal property;
- Develop and recommend to the Board any other policies or documents relating to the governance of the GCFC, including rules and procedures for conducting the business of the GCFC's Board, such as the GCFC's by-laws. The governance committee will oversee the implementation and effectiveness of the by-laws and other governance documents and recommend modifications as needed.

### **Other Responsibilities**

The governance committee shall:

- Annually review, assess and make necessary changes to the governance committee charter and provide a self-evaluation of the governance committee.

Re-adopted March 26, 2021

## Audit and Finance Committee Charter

This Audit and Finance Committee Charter is adopted annually by the Board of Directors of the Genesee County Funding Corporation (GCFC) 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 GCFC's bylaws, the purpose of the audit and finance committee shall be to (1) assure that the GCFC's board fulfills its responsibilities for the GCFC'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 GCFC.
- Conduct or authorize investigations into any matters within its scope of responsibility.
- Seek any information it requires from GCFC employees, all of whom should be directed by the board to cooperate with committee requests.
- Meet with GCFC staff, independent auditors or outside counsel, as necessary.
- Retain, at the GCFC'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 GCFC board will ensure that the audit and finance committee has 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. (b) of the GCFC's bylaws. The audit and finance committee shall consist of at least three members of the board of directors who are "independent" of GCFC operations, 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 GCFC's board will appoint the audit and finance committee members and the committee chair.

Audit and finance committee members shall be prohibited from being an employee of the GCFC or an immediate family member of an employee of the GCFC. In addition, audit and finance committee members shall not engage in any private business transactions with the GCFC or receive compensation from any private entity that has material business relationships with the GCFC, or be an immediate family member of an individual that engages in private business transactions with the GCFC or receives compensation from an entity that has material business relationships with the GCFC.

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 GCFC.

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 use best efforts to 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 meetings. 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 GCFC.

Meeting agendas will be prepared for every meeting and provided to the audit and finance committee members along with the briefing materials 5 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 GCFC'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 GCFC.

#### **A. Independent Auditors and Financial Statements**

The audit and finance committee shall:

- Recommend to the board of the GCFC the appointment of independent auditors retained by the GCFC 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 GCFC'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 GCFC'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 GCFC'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 GCFC'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 GCFC 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 GCFC, 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 GCFC'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.

Re-adopted March 26, 2021

## **Genesee County Funding Corp.**

### **Officers**

- GCEDC Chairman Peter Zeliff, Chairman
- GCEDC Vice Chairman Matthew Gray, Vice Chairman
- H. Upson, Treasurer
- T. Turnbull, Secretary

\*\*The GCFC Chair and Vice Chair positions are to be held by the GCEDC Chair and Vice Chair, respectively.

### **Signors of agreements, contracts, deeds and any other instruments as follows:**

- Chairman
- Vice Chairman
- Secretary

### **Bank Account Authorized Signers –**

Board Members

- ~~Paul Battaglia~~ Matthew Gray
- Peter Zeliff
- Hollis Upson
- Tom Turnbull

All GCFC checks must be signed by two authorized signers.

### **Authorized to request information regarding all bank accounts and to transfer funds between like named accounts for the GCFC.**

- L. Farrell
- P. Kennett

**3/2021**

### **Current Genesee County Funding Corporation Board Members**

- Matthew Gray
- Peter Zeliff
- Hollis Upson
- Maureen Marshall
- Tom Turnbull
- Bill Lapple

### **The Audit & Finance Committee:**

The purpose of the audit and finance committee shall be to (1) assure that the GCFC's board fulfills its responsibilities for the GCFC'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.

The audit and finance committee shall consist of at least three members of the board of directors who are independent of GCFC operations. The GCFC's board will appoint the audit and finance committee members and the committee chair.

#### Current Audit & Finance Committee Members:

- ~~Paul Battaglia~~ Matthew Gray (Committee Chair)
- Tom Turnbull
- Hollis Upson

**3/2021**

### **Current Genesee County Funding Corporation Board Members**

- Matthew Gray
- Peter Zeliff
- Hollis Upson
- Maureen Marshall
- Tom Turnbull
- Bill Lapple



### **The Governance Committee:**

The purpose of the governance committee is to assist the Board by keeping the Board informed of current best practices in corporate governance principles and advise the Members and Directors on the skills and experience required of potential Directors.

The governance committee shall be comprised of at least three Directors consisting entirely of Independent members. The governance committee members shall be appointed by and will serve at the discretion of the GCFC's Board of Directors. The Board may designate one member of the governance committee as its Chair. The members shall serve until their resignation, retirement, removal by the Board or until their successors shall be appointed and qualified. When feasible, the immediate past governance committee Chair will continue serving as a member of the Committee for at least one year to ensure an orderly transition.

Current Governance Committee Members:

- Hollis Upson (Committee Chair)
- Maureen Marshall
- Peter Zeliff

**3/2021**

### **Current Genesee County Funding Corporation Board Members**

- Matthew Gray
- Peter Zeliff
- Hollis Upson
- Maureen Marshall
- Tom Turnbull
- Bill Lapple

Investment Report for Genesee County Funding Corporation

Fiscal Year Ending: 12/31/2020

Run Date : 03/22/2021  
Status: UNSUBMITTED  
Certified Date: N/A

**Investment Information**

Question	Response	URL (If Applicable)
1. Has the Authority prepared an Annual Investment Report for the reporting period as required by Section 2925 (6) of PAL?	Yes	http://www.gcedc.com/index.php/news/funding-corp-gcfc
2. Are the Authority's investment guidelines reviewed and approved annually?	Yes	
3. Did the Authority have an independent audit of investments as required by Section 2925(3)(f) of PAL?	Yes	http://www.gcedc.com/index.php/news/funding-corp-gcfc
4. Has the Authority's independent auditor issued a management letter to the Authority in connection with its annual audit of investments?	No	

**Additional Comments**

## Genesee County Funding Corporation (GCFC)

Annual Investment Report  
For the year ended December 31, 2020

**Purpose of the Report:**

Under Section 2925(6) of the Public Authorities Law, the GCFC and its affiliates are required to prepare and approve an Annual Investment Report. The schedule below was approved by the Board on March 26, 2021.

Bank	Type	Account Description	12/31/20 G/L Balance	12/31/20 Bank Balance	Interest Rate
Five Star Bank	Checking	GCFC Primary Checking	\$19,420.71	\$19,420.71	0.00%

The GCFC generated \$0 of interest income for the period January 1, 2020 through December 31, 2020.

\*No fees or commissions were paid.

Procurement Report for Genesee County Funding Corporation

Fiscal Year Ending: 12/31/2020

Run Date: 03/22/2021  
 Status: UNSUBMITTED  
 Certified Date: N/A

**Procurement Information:**

Question	Response	URL (if Applicable)
1. Does the Authority have procurement guidelines?	Yes	<a href="http://www.gcedc.com/index.php/news/funding-corp-gcfc">http://www.gcedc.com/index.php/news/funding-corp-gcfc</a>
2. Are the procurement guidelines reviewed annually, amended if needed, and approved by the Board?	Yes	
3. Does the Authority allow for exceptions to the procurement guidelines?	No	
4. Does the Authority assign credit cards to employees for travel and/or business purchases?	No	
5. Does the Authority require prospective bidders to sign a non-collusion agreement?	Yes	
6. Does the Authority incorporate a summary of its procurement policies and prohibitions in its solicitation of proposals, bid documents, or specifications for procurement contracts?	Yes	
7. Did the Authority designate a person or persons to serve as the authorized contact on a specific procurement, in accordance with Section 139-j(2)(a) of the State Finance Law, "The Procurement Lobbying Act"?	Yes	
8. Did the Authority determine that a vendor had impermissible contact during a procurement or attempted to influence the procurement during the reporting period, in accordance with Section 139-j(10) of the State Finance Law?	No	
8a. If Yes, was a record made of this impermissible contact?		
9. Does the Authority have a process to review and investigate allegations of impermissible contact during a procurement, and to impose sanctions in instances where violations have occurred, in accordance with Section 139-j(9) of the State Finance Law?	Yes	

Procurement Report for Genesee County Funding Corporation

Fiscal Year Ending: 12/31/2020

Run Date: 03/22/2021  
Status: UNSUBMITTED  
Certified Date : N/A

Procurement Transactions Listing:

The Authority has indicated that it had no procurement transactions during the reporting period.

Additional Comments

# GENESEE | Funding COUNTY | Corporation

## 2021 Assessment of the Effectiveness of Internal Controls Genesee County Funding Corporation (GCFC)

The GCFC entered into a Management & Administrative Service agreement with HB Solutions, LLC in March 2015. HB Solutions, LLC has delegated completion of tasks to GCEDC staff. GCEDC internal controls continue to be relied on.

### Internal Controls

The accounting, financial reporting, and cash management functions are carried out relying on a multitude of internal controls. 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 GCFC checks require two signatures of authorized GCFC Board Members. 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 GCFC 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, Finance Assistant 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 and the GCFC's Board of Directors on March 26, 2021. These reviews affirmed that there are no material control weaknesses to be reported. The GCEDC and GCFC undergo annual financial audits 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 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.

**Confidential Evaluation of Board Performance**

Criteria	Agree	Somewhat Agree	Somewhat Disagree	Disagree	Comments:
1 Board members have a shared understanding of the mission and purpose of the authority.	6				
2 The policies, practices and decisions of the Board are always consistent with this mission.	6				
3 Board members comprehend their role and fiduciary responsibilities and hold themselves and each other to these principles.	6				
4 The Board has adopted policies, by-laws, and practices for the effective governance, management and operations of the Authority and reviews these annually.	6				
5 The Board sets clear and measurable performance goals for the Authority that contribute to accomplishing its mission.	5	1			
6 The decisions made by Board members are arrived at through independent judgment and deliberation, free of political influence, pressure or self-interest.	6				
7 Individual Board members communicate effectively with executive staff so as to be well informed on the status of all important issues.	6				
8 Board members are knowledgeable about the Authority's programs, financial statements, reporting requirements, and other transactions.	5	1			
9 The Board meets to review and approval all documents and reports prior to public release and is confident that the information being presented is accurate and complete.	6				
10 The Board knows that statutory obligations of the Authority and if the Authority is in compliance with state law.	6				
11 Board and committee meetings facilitate open, deliberate and thorough discussion, and the active participation of members.	6				
12 Board members have sufficient opportunity to research, discuss, question and prepare before decisions are made and votes taken.	5	1			
13 Individual Board members feel empowered to delay votes, defer agenda items, or table actions they feel additional information or discussion is required.	6				
14 The Board exercises appropriate oversight of the CEO and other executive staff, including setting performance expectations and reviewing performance annually.	4	2			
15 The Board has identified the areas of most risk to the Authority and works with management to implement risk mitigation strategies before problems occur.	5	1			
16 Board members demonstrate leadership and vision and work respectfully with each other.	6				
<b>Additional Comments:</b>					
Date Completed: 3/1/21		Entity: GCEDC / GGLDC / <u>GCFC</u> (circle one)			