



**Meeting Agenda – Audit and Finance Committee**  
 Genesee County Economic Development Center  
 Tuesday, October 24, 2023 – 8:30 a.m.  
 Location: 99 MedTech Drive, Innovation Zone

Page #	Topic	Discussion Leader	Desired Outcome
	1. Call to Order – Enter Public Session	K. Manne	
	1a. Executive Session Motion to enter executive session under the Public Officers Law, Article 7, Open Meetings Law Section 105 for the following reasons: 1. Discussions regarding proposed, pending, or current litigation 1b. Enter Public Session	K. Manne	
2-4	<b>2. Chairman’s Report &amp; Activities</b> 2a. Agenda Additions / Other Business 2b. Minutes: October 3, 2023	K. Manne	Vote
	<b>3. Discussions / Official Recommendations to the Board:</b>		
5-7	3a. Government Relations Contract - Ostroff and Associates	S. Hyde	Disc / Vote
8-11	3b. September 2023 Financial Statements	L. Farrell	Disc / Vote
12-13	3c. 2024 General Cleaning Services	L. Farrell	Disc / Vote
14-21	3d. 12/31/23 Audit Services	L. Farrell	Disc / Vote
22-23	3e. Batavia Home Fund Committee Recommendation of Award	M. Masse	Disc / Vote
	<b>4. Adjournment</b>	K. Manne	Vote



**GCEDC Audit & Finance Committee Meeting**

**Tuesday, October 3, 2023**

**Location: 99 MedTech Drive, Innovation Zone**

**8:30 a.m.**

**MINUTES**

**ATTENDANCE**

Committee Members: P. Battaglia, M. Gray, K. Manne  
Staff: L. Farrell, M. Masse, S. Hyde, P. Kennett, L. Casey, E. Finch, C. Suozzi  
Guests:  
Absent: P. Zelif

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

K. Manne called the meeting to order at 8:33 a.m. in the Innovation Zone.

**2. Chairman’s Report & Activities**

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

**2b. Minutes: September 5, 2023**

**M. Gray made a motion to approve the September 5, 2023 minutes; the motion was seconded by P. Battaglia. Roll call resulted as follows:**

P. Battaglia - Yes  
M. Gray - Yes  
P. Zelif - Absent  
K. Manne - Yes

**The item was approved as presented.**

**3. DISCUSSIONS / OFFICIAL RECOMMENDATIONS OF THE COMMITTEE:**

**3a. August 2023 Financial Statements-** L. Farrell reviewed with the Committee the significant items of the August 2023 long form financial statements.

- On Line 4, Internally Reserved Cash previously had \$800,000 under RLF #1. In August we transferred over to the STAMP fund. These funds will be used to pay construction contracts that were previously authorized. The balance of \$564,000 is recorded on Line 13 as Restricted Cash STAMP – Part 182 Permit. These funds are required by the DEC to ensure that mitigation will occur for the length of the permit, which is 54 years.
- Grants receivable decreased under the STAMP Fund. Expenses were paid using our own funds. We reimbursed ourselves with ESD grant funds.

2b

2

- In the operating fund, there are origination fees of \$165,000. We closed on the Ivy Village Project, RPNY Solar 6 and RPNY Solar 7 Projects.
- We should be at 67% of budget. Operating expenses that are front loaded and have been over budget are now starting to level out (i.e., HSA contributions, Dues & Subscriptions). General Liability Insurance and umbrella insurance are also known to be over budget and approved by the Board. Otherwise, most line items are within budget.
- In the other funds, CD bank interest should be noted.
- In the STAMP fund, no GURFs were submitted in August. There was a large STAMP expenditure of \$155,000 paid using cash on hand that was transferred from RLF#1.
- Other than the above-mentioned items, there is normal monthly activity on the income statements for all funds.

**P. Battaglia made a motion to recommend to the full Board the approval of the August 2023 Financial Statements as presented; the motion was seconded by M. Gray. Roll call resulted as follows:**

P. Battaglia - Yes  
M. Gray - Yes  
P. Zeliff - Absent  
K. Manne - Yes

**The item was approved as presented.**

**3b. GCEDC 1+3 Budget** – L. Farrell presented the 1+3 budget to the Committee for review. The 2024 Budget was approved at the last Board meeting. The budget was then extended another 3 years. The 1+3 Budget must be entered into the NYS Public Authorities Reporting Information System (PARIS) online. It was noted that most line items show a 3% increase year over year. The line items with an asterisk are those that could be estimated more accurately as more information was available or schedules were utilized.

The Committee noted that given current market conditions, an estimated 3% increase year over year may not be sufficient. L. Farrell stated that this is simply a forecast and not a formal approval of the budgets for years 2025-2027. L. Farrell also stated that if inflation is still a concern during next years' budgeting season, she will take a closer look at the individual line items that may be impacted by inflation.

**M. Gray made a motion to recommend to the full Board the approval of the GCEDC 1+3 Budget as presented; the motion was seconded by P. Battaglia. Roll call resulted as follows:**

P. Battaglia - Yes  
M. Gray - Yes  
P. Zeliff - Absent  
K. Manne - Yes

**The item was approved as presented.**

**3c. Auditor Selection** – Last year the GCEDC and its affiliated corporations issued a joint Request for Proposals (RFP) for Professional Auditing Services. The RFP requested services for three audit years from January 1, 2022 to December 31, 2024, with an option of contracting for an additional two years

(2025-2026). The Board approved a 3-year engagement with Mostert, Manzanero & Scott, LLP. L. Farrell noted that the fee for 2023 audit services will increase from \$10,300 to \$10,700.

**3d. Insurance Renewal** – Staff met with J. Teresi from Tompkins Insurance to discuss the January 1, 2024 insurance renewal for General Liability and Umbrella Coverage. Selective is still interested in carrying us. However, J. Teresi is looking into alternative markets. He believes that Selective will still be the best option. Last year, with the increased development of the STAMP site, a change in land classification was made that increased the cost of insurance. Quotes are anticipated to reflect this risk exposure.

**3e. Land Lease Rates** – M. Masse presented the proposed schedule for the land lease rates that were included with the meeting materials.

**Fund commitment:** None.

Location	Term	Rate/Acre
Apple Tree Acres	One year	\$ 70.00
Oatka Hills	One year	\$ 70.00
LeRoy	One year	\$ 70.00

STAMP	One year	\$70.00
STAMP	One year	\$75.00
STAMP	One year	\$3.98

**P. Battaglia made a motion to recommend to the full Board the approval of the Land Lease Rates pending review and approval by our agricultural experts on the Board; the motion was seconded by M. Gray. Roll call resulted as follows:**

- P. Battaglia - Yes
- M. Gray - Yes
- P. Zeliff - Absent
- K. Manne - Yes

**The item was approved as presented.**

**4. ADJOURNMENT**

As there was no further business, M. Gray made a motion to adjourn at 8:58 a.m., seconded by P. Battaglia and passed unanimously.

# Government Relations Contract – Ostroff Associates

S. G. Hyde, President and CEO

October 26, 2023

During this season of active infrastructure construction at STAMP, necessary to enable \$1B in project commitments and some 700 high paying jobs (avg. \$80k/year), we are experiencing considerable external challenges. In light of this, we could use assistance with a strong government relations firm that can provide GCEDC strong counsel, access and advocacy to the Executive and Legislative branches of state government as well as state administrative/regulatory agencies. One of the very well-placed firms, used by NYSEDC, and many others is Ostroff Associates. They are a growing firm with strong relationships across the board. An excerpt below characterizes their depth and breadth of expertise and influence:



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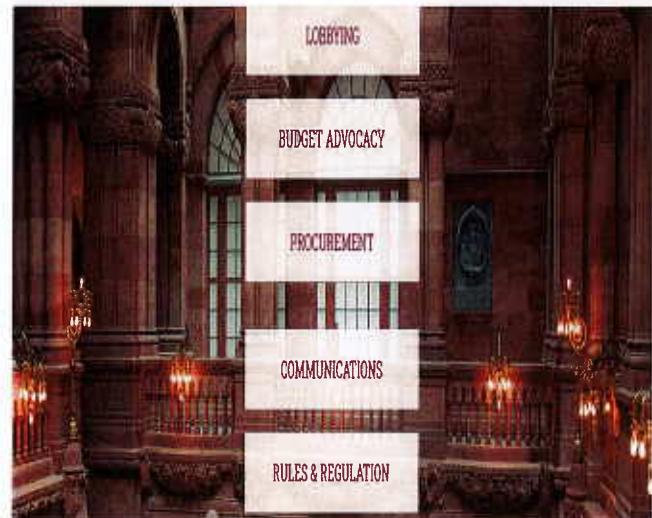
WITH UNPARALLELED ACCESS TO DECISION-MAKERS AT ALL LEVELS OF GOVERNMENT, OSTROFF ASSOCIATES PROVIDES EFFECTIVE AND AGGRESSIVE REPRESENTATION ON A WIDE VARIETY OF ISSUES ON BEHALF OF A DIVERSE MIX OF CLIENTS.

Ostroff Associates has been one of the leading government relations firms in New York State since 1995. Our team has the experience, insight and strategic thinking necessary to advance some of the most complicated issues before policy makers.

With access to key decision-makers, we are able to precisely and credibly tell our client's story and find innovative ways to solve problems. Our breadth of experience includes, but is not limited to, economic development, technology, finance, transportation, energy, healthcare, entertainment, education and higher education.



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Our lead Government Relations representative will be:



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EXECUTIVE VICE  
PRESIDENT

akennedy@ostroffassociates.com

### Andrew Kennedy

Andrew joined Ostroff Associates in 2020 bringing nearly two decades of experience in government operations, economic development and organization management.

Prior to joining OA, Andrew served as the President and CEO of the Center for Economic Growth (CEG), a regional economic development organization in New York's Capital Region since 2016. In this role, Andrew worked with business, government, education and the not-for-profit sectors to identify economic development opportunities, lead regional marketing efforts to attract new investments and create jobs, and oversaw programs that enhanced existing business operations and supported workforce development initiatives.

Prior to his role at CEG, Andrew spent 15 years in New York State government including serving five years in various capacities for Governor Andrew M. Cuomo. From 2014-2016, Andrew served as the Deputy Director of State Operations coordinated the day to day management of all New York state departments, agencies, and authorities; implemented policies and programs related to economic development, infrastructure, and health care; negotiated complex public private partnerships to promote job creation, spur private sector investment, and revitalize communities; and managed the state's emergency preparedness and response to events that impacted the health, safety and security of New Yorker. Prior to serving as Deputy Director, Andrew was the Assistant Secretary for Economic Development responsible for the New York's economic development and housing efforts, including the Regional Economic Development Councils and the Consolidated Funding Application.

Prior to his tenure in the Governor's office, Andrew worked over a decade at the New York State Division of Budget and for the New York State Assembly where he developed a detailed understanding of New York's fiscal policies and programs.

We have executed a short-term contract, half a month, through the end of October given pressing near term needs which is within budget and my signature authority totaling \$2,500. I present to you today for your consideration their engagement letter to establish a more formal on-going relationship. Pricing is \$5,000 monthly which is consistent with their normal charge rate for active non-profit organizations. This is a month-to-month engagement and can be cancelled if needed on 30 days' notice. Our 2023 and 2024 budget assumptions plan this expense at \$4,250/month. While we are significantly under budget for 2023, we will likely exceed our 2024 budget for this line item by \$9,000 if our engagement lasts the entire year. We will work to offset this cost exposure in other expense line items.

**CEO Recommendation:** Given the strength of Ostroff's team and ability to provide strong counsel and advocacy during this season of active infrastructure permitting and construction at STAMP as well as active project selling and implementation – I recommend approval of this Government Relations Contract.

# Ostroff

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ASSOCIATES

October 11, 2023

Steve Hyde  
President & CEO  
Genesee County Economic Development Center  
99 MedTech Drive, Suite 106  
Batavia, NY 14202

Dear Mr. Hyde:

This letter will serve as an agreement whereby Ostroff Associates, Inc. agrees to represent Genesee County Economic Development Center before the Executive and Legislative branches of government and the administrative agencies and offices of New York State and localities effective November 1, 2023. The fee for this service will be \$5,000 per month plus reasonable expenses and commission filing fees. Either party may cancel upon thirty days written notice.

If this agreement is acceptable, please sign this letter and return via email to me at [ro@ostroffassociates.com](mailto:ro@ostroffassociates.com). Thank you for your consideration. I am looking forward to working with you.

Sincerely,



Richard L. Ostroff  
President

Accepted by:

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Signature

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Printed Name and Title

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Date

**Genesee County Economic Development Center  
September 2023 Dashboard  
Balance Sheet - Accrual Basis**

	<u>9/30/23</u>	<u>8/31/23</u>	[Per Audit] <u>12/31/22</u>
<b>ASSETS:</b>			
Cash - Unrestricted (1)	\$ 5,644,349	\$ 6,406,435	\$ 6,428,049
Cash - Restricted (A)(2)	8,361,953	8,779,717	8,955,862
Cash - Reserved (B)(3)	672	672	797,149
Cash - Subtotal	14,006,974	15,186,824	16,181,060
Grants Receivable (4)	68,355	65,869	67,663
Accounts Receivable (5)	170,695	68,296	105,672
Deposits	2,832	2,832	2,832
Prepaid Expense(s) (6)	24,854	31,998	25,691
Loans Receivable - Current	56,527	56,299	54,539
<b>Total Current Assets</b>	<b>14,330,237</b>	<b>15,412,118</b>	<b>16,437,457</b>
Land Held for Dev. & Resale (7)	23,822,376	23,396,210	22,615,924
Furniture, Fixtures & Equipment	71,257	71,257	71,257
Total Property, Plant & Equip.	23,893,633	23,467,467	22,687,181
Less Accumulated Depreciation	(69,675)	(69,620)	(69,183)
<b>Net Property, Plant &amp; Equip.</b>	<b>23,823,958</b>	<b>23,397,847</b>	<b>22,617,998</b>
Loans Receivable- Non-current (Net of \$47,429 Allow. for Bad Debt)	94,705	99,211	138,073
Right to Use Assets, Net of Accumulated Amortization	30,078	30,078	30,078
Net Pension Asset (12)	200,580	200,580	200,580
<b>Other Assets</b>	<b>325,363</b>	<b>329,869</b>	<b>368,731</b>
<b>TOTAL ASSETS</b>	<b>38,479,558</b>	<b>39,139,834</b>	<b>39,424,186</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Pension Outflows (12)	416,930	416,930	416,930
<b>Deferred Outflows of Resources</b>	<b>416,930</b>	<b>416,930</b>	<b>416,930</b>
<b>LIABILITIES:</b>			
Accounts Payable (8)	28,807	31,144	218,950
Loan Payable - Genesee County - Current (9)	315,000	315,000	305,000
Accrued Expenses	46,237	38,566	30,879
Lease Payable - Current	12,167	12,167	12,167
Unearned Revenue (10)	7,473,603	7,900,717	8,533,938
<b>Total Current Liabilities</b>	<b>7,875,814</b>	<b>8,297,594</b>	<b>9,100,934</b>
Loans Payable - ESD (11)	5,196,487	5,196,487	5,196,487
Loan Payable - Genesee County - Noncurrent (9)	2,510,000	2,510,000	2,825,000
Lease Payable - Noncurrent	17,911	17,911	17,911
<b>Total Noncurrent Liabilities</b>	<b>7,724,398</b>	<b>7,724,398</b>	<b>8,039,398</b>
<b>TOTAL LIABILITIES</b>	<b>15,600,212</b>	<b>16,021,992</b>	<b>17,140,332</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Pension Inflows (12)	712,344	712,344	712,344
<b>Deferred Inflows of Resources</b>	<b>712,344</b>	<b>712,344</b>	<b>712,344</b>
<b>NET ASSETS</b>	<b>\$ 22,583,932</b>	<b>\$ 22,822,428</b>	<b>21,988,440</b>



**Significant Events:**

1. Unrestricted Cash - STAMP land sale funds used for 716 Contracting STAMP expense.
2. Restricted Cash - Includes cash deposited by ESD into imprest accounts related to the \$8M and \$33M STAMP grants. Expenditures out of these accounts are pre-authorized by ESD.
3. Reserved Cash - RLF funds were used to cover STAMP expenses in August of 2023. \$564K was used to set up the STAMP Part 182 Permit Reserve and \$320K was used for the Keeler and 716 Contracts.
4. Grants Receivable - National Grid grants support marketing and development activities for STAMP and the LeRoy Food & Tech Park.
5. Accounts Receivable - Econ. Dev. Program Support Grant, MedTech Centre Property Management, etc., final origination fee installment from Nexgistics.
6. Prepaid Expense(s) - Cyber, D&O, life, general liability, umbrella, workers compensation and short-term disability insurance, etc.
7. Land Held for Dev. & Resale - Additions are related to STAMP development costs.
8. Accounts Payable - e3communications and interest earned on imprest accounts that will be remitted to ESD.
9. Loan Payable - Genesee County (Current & Noncurrent) - Per a Water Supply Agreement with Genesee County, the County remitted \$4M to the GCEDC to put towards water improvements located in the Town of Alabama and the Town of Pembroke and other Phase II improvements as identified by the County. GCEDC started making annual payments to the County of \$448,500 beginning in January 2020.
10. Unearned Revenue - Interest received in advance; Genesee County contribution received in advance; Funds received from municipalities to support park development; Funds received to support workforce development; ESD Grant funds to support STAMP development, not actually earned until eligible expenditures are incurred.
11. Loans Payable - ESD - Loans from ESD to support STAMP land acquisition and related soft costs.
12. Net Pension Asset / Deferred Pension Outflows / Deferred Pension Inflows - Accounts related to implementation of GASB 68.

**Genesee County Economic Development Center  
September 2023 Dashboard  
Profit & Loss - Accrual Basis**

	Month to Date		YTD		2023	2023
	9/30/23	9/30/22	2023	2022	Board Appr. Budget	YTD % of Budget
<b><u>Operating Revenues:</u></b>						
Genesee County	\$ 19,459	\$ 19,459	\$ 175,132	\$ 175,133	\$ 233,513	75%
Genesee County - WFD	2,083	2,083	18,748	18,749	25,000	75%
Fees - Projects	147,671	500	478,449	382,093	487,000	98%
Fees - Services	7,262	7,099	65,358	63,892	87,146	75%
Interest Income on Loans	171	219	1,682	2,114	2,170	78%
Rent	-	-	11,257	16,393	32,910	34%
Common Area Fees - Parks	-	-	391	373	380	103%
Grants (1)	429,580	500	1,573,485	3,895,975	4,600,459	34%
GGLDC Grant- Econ. Dev. Program Support	25,000	25,000	225,000	225,000	300,000	75%
GCFC Grant - Econ. Dev. Program Support	-	-	-	328,388	-	N/A
Land Sale Proceeds	-	-	-	67,500	-	N/A
BP <sup>2</sup> Revenue	(5,789)	-	1,714	8,597	52,819	3%
Other Revenue	161	128	5,432	1,390	5,000	109%
<b>Total Operating Revenues</b>	<b>625,598</b>	<b>54,988</b>	<b>2,556,648</b>	<b>5,185,597</b>	<b>5,826,397</b>	<b>44%</b>
<b><u>Operating Expenses</u></b>						
General & Admin	111,552	102,034	1,074,736	1,030,070	1,519,303	71%
Professional Services	7,295	4,578	62,195	54,304	206,620	30%
Site Maintenance/Repairs	894	447	4,024	4,024	38,000	11%
Property Taxes/Special District Fees	-	-	5,275	3,518	3,030	174%
BP <sup>2</sup> Expense	-	-	-	-	17,244	0%
PIF Expense	-	-	48,162	43,296	151,906	32%
Site Development Expense (2)	766,859	63,025	932,687	2,438,259	3,103,493	30%
Cost of Land Sales	-	-	-	5,775	-	N/A
Real Estate Development (3)	426,165	250,056	1,206,453	2,074,724	1,040,007	116%
Balance Sheet Absorption	(426,165)	(250,056)	(1,206,453)	(2,074,724)	-	N/A
<b>Total Operating Expenses</b>	<b>886,600</b>	<b>170,084</b>	<b>2,127,079</b>	<b>3,579,246</b>	<b>6,079,603</b>	<b>35%</b>
<b>Operating Revenue (Expense)</b>	<b>(261,002)</b>	<b>(115,096)</b>	<b>429,569</b>	<b>1,606,351</b>	<b>(253,206)</b>	
<b><u>Non-Operating Revenue</u></b>						
Other Interest Income (4)	22,506	1,732	165,923	11,993	5,900	2812%
<b>Total Non-Operating Revenue</b>	<b>22,506</b>	<b>1,732</b>	<b>165,923</b>	<b>11,993</b>	<b>5,900</b>	<b>2812%</b>
<b>Change in Net Assets</b>	<b>(238,496)</b>	<b>(113,364)</b>	<b>595,492</b>	<b>1,618,344</b>	<b>\$ (247,306)</b>	
<b>Net Assets - Beginning</b>	<b>22,822,428</b>	<b>21,315,203</b>	<b>21,988,440</b>	<b>19,583,495</b>		
<b>Net Assets - Ending</b>	<b>\$ 22,583,932</b>	<b>\$ 21,201,839</b>	<b>\$ 22,583,932</b>	<b>\$ 21,201,839</b>		

**Significant Events:**

1. Grants - PIF from RJ Properties (Liberty Pumps) supports Apple Tree Acres Infrastructure improvements; PIF from Yancey's Fancy supports Infrastructure Fund Agreement with the Town of Pembroke; \$448K Community Benefit Agreement payment dedicated to STAMP by sourcing debt service payments to the County; National Grid grant supports marketing and development activities for STAMP; ESD \$33M & \$8M Grants support STAMP engineering, environmental, legal, infrastructure, etc.
2. Site Development Expense - Installation of, or improvements to, infrastructure that is not owned by the GCEDC, or will be dedicated to a municipality in the foreseeable future, is recorded as site development expense when costs are incurred.
3. Real Estate Development Costs - Includes STAMP development costs.
4. Other Interest Income - Interest rates have increased substantially; invested funds into a CD for additional interest income.

**Genesee County Economic Development Center**  
**September 2023 Dashboard**  
**Statement of Cash Flows**

	September 2023	YTD
<b>CASH FLOWS USED BY OPERATING ACTIVITIES:</b>		
Genesee County	\$ 21,542	\$ 215,422
Fees - Projects	77,671	385,949
Fees - Services	-	64,870
Interest Income on Loans	151	1,570
Rent	-	19,506
Common Area Fees - Parks	-	391
Grants	-	513,528
BP <sup>2</sup> Revenue	(5,789)	1,714
GGLDC Grant - Economic Development Program Support	-	225,000
Other Revenue	161	5,432
Repayment of Loans	4,278	41,380
General & Admin Expense	(101,118)	(1,066,229)
Professional Services	(7,295)	(76,735)
Site Maintenance/Repairs	(894)	(3,577)
Site Development	(766,859)	(1,038,624)
Property Taxes/Special District Fees	-	(5,275)
PIF Expense	-	(48,162)
Improv/Additions/Adj to Land Held for Development & Resale	(426,166)	(1,289,389)
Net Cash Used By Operating Activities	(1,204,318)	(2,053,229)
<b>CASH FLOWS USED BY NONCAPITAL FINANCING ACTIVITIES:</b>		
Principal Payments on Loan	-	(305,000)
Net Cash Used By Noncapital Financing Activities	-	(305,000)
<b>CASH FLOWS PROVIDED BY INVESTING ACTIVITIES:</b>		
Interest Income (Net of Remittance to ESD)	24,468	184,143
Net Change in Cash	(1,179,850)	(2,174,086)
Cash - Beginning of Period	15,186,824	16,181,060
Cash - End of Period	\$ 14,006,974	\$ 14,006,974
<b>RECONCILIATION OF NET OPERATING REVENUE (EXPENSE) TO NET CASH USED BY OPERATING ACTIVITIES:</b>		
Operating Revenue (Expense)	\$ (261,002)	\$ 429,569
Depreciation Expense	55	492
Increase in Operating Accounts/Grants Receivable	(104,885)	(65,715)
Decrease in Prepaid Expenses	7,144	837
Decrease in Loans Receivable	4,278	41,380
Increase in Land Held for Development & Resale	(426,166)	(1,206,452)
Decrease in Operating Accounts Payable	(4,299)	(208,363)
Increase in Accrued Expenses	7,671	15,358
Decrease in Unearned Revenue	(427,114)	(1,060,335)
Total Adjustments	(943,316)	(2,482,798)
Net Cash Used By Operating Activities	\$ (1,204,318)	\$ (2,053,229)

## GCEDC

Lezlie Farrell – Finance & Operations  
**Audit & Finance Committee Report**  
October 24, 2023

### **Cleaning Services**

**Discussion:** During 2022, staff reached out to four cleaning companies to obtain quotes for 2023 cleaning services. Commercial Cleaning Services of Western New York, Inc. was awarded the contract.

Commercial Cleaning Services of Western New York, Inc., the current company being used, has been offering a competitive price and we are satisfied with the services. New quotes were not obtained for 2024 services. We anticipate getting quotes for cleaning services every three years.

**Fund Commitment:** Up to \$7,500; included in the 2024 GCEDC Budget.

**Action Requested:** Staff is requesting a recommendation from the Committee to continue this contract for 2024 cleaning services at a cost not to exceed \$7,500 for the year, plus reimbursement for supplies.

**Cleaning Quotes for 2023 Services**

	Quote for Office Space (GCEDC)	Quote for Common Area (GGLDC)	Other Notes:
Pro-Kleen	\$1800.00 Per Month	\$3600.00 Per Month	Auto-Scrubber
**Commercial Cleaning Services of Western NY, Inc. (currently paying)	\$450.00 Per Month	\$1133.00 Per Month	Auto-Scrubber
Top Choice Cleaning Services	\$738.71 Per Month	\$1551.91 Per Month	Floor Machine
WNY Regional Cleaning Company		Not bidding on temporary accounts that take bids regularly.	

**Cleaning Quotes for 2024 Services**

**Commercial Cleaning Services of Western NY, Inc. (currently paying)	\$619.52 Per Month	\$1340.56 Per Month	Auto-Scrubber
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\*\* 10/10/2023

**GCEDC Approval:**

**\*\*Staff recommends Commercial Cleaning Services of Western NY, Inc. to continue services in 2024, not to exceed \$7,500.**

**GGLDC Approval:**

**\*\*Staff recommends Commercial Cleaning Services of Western NY, Inc. to continue services in 2024, not to exceed \$16,500 plus cleaning and bathroom supplies.**



4 Associate Drive  
Oneonta, New York 13820  
Phone: (607) 432-8700  
Fax: (607) 432-5122  
www.mmscpas.com



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

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

October 12, 2023

Board of Directors and  
Lezlie Farrell  
Genesee County Industrial Development Agency  
dba Genesee County Economic Development Center  
99 MedTech Drive, Suite 106  
Batavia, NY 14020

We are pleased to confirm our understanding of the services we are to provide for the Genesee County Industrial Development Agency dba Genesee County Economic Development Center (GCEDC) for the year ended December 31, 2023.

#### **Audit Scope and Objectives**

We will audit the financial statements of the GCEDC, which comprise of the combined statement of net position as of December 31, 2023, and the related combined statement of revenues, expenses and changes in net position and combined statement of cash flows, including the disclosures to the financial statements, as of and for the year then ended. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the GCEDC's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the GCEDC's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will 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. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

- Management's Discussion and Analysis
- Schedule of GCEDC's's Proportionate Share of the Net Position Asset (Liability) – Employees' Retirement System
- Schedule of the GCEDC's Pension Contributions – Employees' Retirement Systems

We have also been engaged to report on supplementary information other than RSI that accompanies GCEDC's financial statements. We will subject the following supplementary information to the auditing procedures applied in our 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 GAAS, and will provide an opinion on it in relation to the financial statements as a whole:

- Combining Statement of Net Position;
- Combining Statement of Revenues, Expenses and Changes in Net Position;
- Schedule of Bonds and Leases Outstanding;
- Schedule of Leases Terminating During the Year;
- Schedule of Land Development Agreements Outstanding; and
- Schedule of Land Agreements Termination During the Year.

Furthermore, we have been engaged to report on GCEDC's Compliance with the New York State Comptroller's Investment Guidelines for Public Authorities and Section 2925 of the New York State Public Authorities Law. We will issue a separate auditors' report which will provide an opinion on GCEDC's Compliance with Investment Guidelines for Public Authorities.

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error; and issue an auditors' report that includes our opinion about whether your financial statements are presented, in all material respects, in conformity with GAAP, and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

The objectives also include reporting on internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in *Government auditing Standards*, issued by the Comptroller General of the United States, and will include test of your accounting records of the GCEDC and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitation of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors' is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the GCEDC's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement.

#### **Audit Procedures – Internal Control**

We will obtain an understanding of the GCEDC and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.



The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

### **Audit Procedures - Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of GCEDC's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance, and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

### **Other Services**

We will assist in preparing the financial statements and related notes of the GCEDC in conformity with U.S. generally accepted accounting principles based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

### **Responsibilities of Management for the Financial Statements**

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, and for the preparation and fair presentation of the financial statements and all accompanying information in conformity with accounting principles generally accepted in the United States of America, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

You are also responsible for making all financial records and related information available to us, and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and *Government Auditing Standards*.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud or illegal acts affecting the GCEDC involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the GCEDC received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements and grants for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with U.S. generally accepted accounting principles. You agree to include our report on supplementary information in any document that contains, and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for the presentation of the supplementary information in accordance with GAAP; (2) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP, (3) the methods of measurement or presentation have not changed from those used in the prior period (or if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.



You agree to assume all management responsibilities relating to the financial statements and related notes, and any other non-audit services we provide. You will be required to acknowledge in the management representation letter our assistance with the preparation of the financial statements, and related notes and that you have evaluated the adequacy of our services and have reviewed and approved the results of the services, and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

### **Engagement Administration, Fees and Other**

We understand that your employees will prepare all cash or other confirmations we request and will locate any invoices selected by us for testing. We will provide copies of our reports, upon request; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Mostert, Manzanero & Scott, LLP and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to your funding sources or the U.S. Government Accountability Office for the purpose of quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. If requested, access to such audit documentation will be provided under the supervision of Mostert, Manzanero & Scott, LLP personnel. Furthermore, upon request we may provide photocopies of selected audit documentation to your funding source, the aforementioned parties. Those parties may intend, or decide, to distribute the photocopies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of six years after the report release is issued or for any additional period requested by the cognizant agency, oversight agency or pass-through entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party (ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Jason L. Waite, CPA is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign the report.

Estimated fees for these services will be based on the actual time spent at our standard hourly rates. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. Based on our preliminary estimates, fee is estimated at \$10,700. If a single audit is required, the fee is estimated to be \$13,200 and we will require you to sign an addendum to this engagement letter that covers items specific to a single audit. This estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will adjust the fees accordingly.

If you intend to publish or otherwise reproduce the financial statements and make reference to our Firm name, you agree to provide us with printer's proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed. It is agreed by Genesee County Industrial Development Agency dba Genesee County Economic Development Center and Mostert, Manzanero & Scott, LLP or any successor in interest that no claim by or on behalf of either party arising out of services rendered pursuant to this agreement shall be initiated more than three years after the date of the review report or one year after the date of termination of Mostert, Manzanero & Scott, LLP's services.

### **Reporting**

We will issue a written report upon completion of our audit of Genesee County Industrial Development Agency financial statements. Our report will be addressed to the board of directors of GCEDC. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinion, add a separate section, or add an emphasis-of-matter or other-matter paragraph to our auditors' report, or if necessary, withdraw from this engagement. If our opinion is other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or withdraw from this engagement.

We will also provide a report (which does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements, as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will state that 1) the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing and not to provide an opinion on the effectiveness of the GCEDC's internal control on compliance and 2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering GCEDC's internal control and compliance.

The report will also state that the report is not suitable for any other purpose. If during our audit we become aware that GCEDC is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Genesee County Industrial Development Agency  
dba Genesee County Economic Development Center  
October 12, 2023  
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We appreciate the opportunity to be of service to the Genesee County Industrial Development Agency dba Genesee County Economic Development Center and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

*Mostert, Manzanero & Scott, LLP*

Mostert, Manzanero & Scott, LLP

RESPONSE:

This letter correctly sets forth the understanding of the Genesee County Industrial Development Agency dba Genesee County Economic Development Center.

By: \_\_\_\_\_  
Board Member Title Date

By: \_\_\_\_\_  
Lezlie Farrell Title Date

## BATAVIA HOME FUND COMMITTEE RECOMMENDATION OF AWARD

The Batavia Home Fund (BHF) funds will be used for infrastructure improvements, future economic and brownfield development interests targeted within the City for new housing projects and the conversion of residential rental to single family homes. The program is administered by the GCEDC with grant funding decisions made by a grant selection committee (Committee) with a representative from the GCEDC, Town and City of Batavia.

### Eligible Activities (Maximum Award Up to:)

1. Extraordinary development costs related to hazardous material abatement, remediation, flood hazard areas, etc., (\$50,000)
2. Demolition/rehabilitation of residential structures that cause community and neighborhood blight. (\$50,000)
3. Infrastructure modernization and improvements including costs to plan, design and constructing of streets, multi-modal, water, sewer, gas, electric, telecommunication enhancements, storm water management facilities and related infrastructure including landscaping and streetscape improvements related to redevelopment projects and new housing construction. (\$50,000)
4. Matching funds to secure other grant resources to further capitalize on redevelopment projects in the Brownfield Opportunity Area (BOA) and flood zone areas. (\$20,000)
5. Land assemblage, property acquisition and due diligence for new market rate housing projects. (\$50,000)
6. Grants to support owner occupied single family exterior rehabilitation. (\$10,000)
7. Grants to support multi-family conversion into single-family owner occupied. (\$20,000)

**Project Applicant:** Stephen Montfort

**Project description:** The homeowner recently purchased this residence for their own use and is looking to make improvements to the exterior (new roof) which qualifies under Eligible Activities item #6 Grants to support owner occupied single family exterior rehabilitation (maximum award of \$10,000). They are seeking a grant of \$2,750 which is 40% of the total construction cost (maximum percentage allowed under the program) of \$6,875. Montclair Avenue, along with Holland and Allen, are areas that the City of Batavia is looking for neighborhood revitalization. The City has applied for a Community Development Block Grant that, if awarded, would be utilized to complete a targeted neighborhood improvement program in this residential area. This grant and homeowner improvement to the residence would fit in with that overall program and neighborhood revitalization initiative.

**Total Project Cost:** \$6,875.00

**Total Grant Amount requested:** \$2,750 (40% max allowed)

**Eligible Activity criteria from above:** 6

**Committee Meeting date:** October 19, 2023



**Committee scoring:**

- 1. **City Priorities-** projects that advance the priorities of Batavia including the BOA Strategy, and are located in either opportunity zone (Ward 3 & 6), or in the flood zone are eligible for additional points in this category (up to 20 points). Monclair Avenue connects into Ward 3. 10 points
- 2. **Visual Impact-** projects that are visually prominent, have historic value, are in danger of being lost, in-part or totally to disrepair and damage (up to 40 points). Roof replacement to significantly improve the visual aesthetic of the residence. 30 points
- 3. **Neighborhood impact-** projects that are aesthetically pleasing to the surrounding neighborhood and are designed to eliminate blight. Preference will be given to a collaborative neighborhood improvement plan with multiple residences involved. (up to 40 points) This house is located in an area targeted by the City for revitalization. 30 points

**Total score:** 70 out of 100

**Batavia Home Fund Committee Recommendation:**

	<i>Yea</i>	<i>Nay</i>	<i>Abstain</i>
Greg Post (Town)	[X ]	[ ]	[ ]
Erik Fix (City)	[X ]	[ ]	[ ]
Mark Masse (GCEDC)	[X ]	[ ]	[ ]