



Meeting Agenda – Audit and Finance Committee
 Genesee County Economic Development Center
 Tuesday, August 1, 2023 – 8:30 a.m.
 Location: 99 MedTech Drive, Innovation Zone

Page #	Topic	Discussion Leader	Desired Outcome
	1. Call To Order – Enter Public Session	M. Gray	
	1a. Executive Session Motion to enter executive session under the Public Officers Law, Article 7, Open Meetings Law Section 105 for the following reasons: 1. The proposed acquisition, sale or lease of real property or the proposed acquisition of securities, or sale or exchange of securities held by such public body, but only when publicity would substantially affect the value thereof. 1b. Enter Public Session	M. Gray	
2-5	2. Chairman’s Report & Activities 2a. Agenda Additions / Other Business 2b. Minutes: June 27, 2023	M. Gray	Vote
6-9	3. Discussions / Official Recommendations to the Board: 3a. June 2023 Financial Statements 3b. 2024 Budget Timeline 3c. 2024 Budget Input/Assumptions	L. Farrell	Disc / Vote
10		L. Farrell	Discussion
		L. Farrell	Discussion
	4. Adjournment	M. Gray	Vote



GCEDC Audit & Finance Committee Meeting
Tuesday, June 27, 2023
Location: 99 MedTech Drive, Innovation Zone
8:30 a.m.

MINUTES

ATTENDANCE

Committee Members: P. Battaglia, T. Bender, M. Gray
Staff: L. Farrell, L. Casey, M. Masse, J. Krencik, S. Hyde, C. Suozzi, P. Kennett
Guests: D. Cunningham (GGLDC Board Member), M. Brooks (GGLDC Board Member),
J. Tretter (GGLDC Board Member), S. Ott (Lawley), Claire Farzmell (Lawley), B.
Fritz (Lawley)
Absent: P. Zelif

1. CALL TO ORDER / ENTER PUBLIC SESSION

M. Gray called the meeting to order at 8:33 a.m. in the Innovation Zone.

Presentation – Cyber Insurance – Claire Farzmell reviewed the 23-24 Cyber proposal by providing an overview of the coverage proposed by Travelers, which is outlined on page 24 of the meeting materials. Several declinations were received from companies, stating that they are not in the market for this class of business or could not extend coverage to all entities. Travelers was able to include all entities and maintained the \$1M limit, Cyber Crime sublimit, and \$10K retention as included with our current policy. Claire Farzmell stated that this coverage is a very good option for the Agency.

Susie Ott (Lawley), Claire Farzmell (Lawley) and Bill Fritts (Lawley) left the meeting at 8:48 a.m.

1a. Enter Executive Session

P. Battaglia made a motion to enter executive session under the Public Officers Law, Article 7, Open Meetings Law Section 105, at 8:49 a.m. for the following reasons:

1. The medical, financial, credit or employment history of a particular person or corporation, or matters leading to the appointment, employment, promotion, demotion, discipline, suspension, dismissal or removal of a particular person or corporation.

The motion was seconded by T. Bender and approved by all members present.

1b. Enter Public Session

P. Battaglia made a motion to enter back into public session at 9:07 a.m., seconded by T. Bender and approved by all members present.

2. Chairman's Report & Activities

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

2b. **Minutes: May 30, 2023**

T. Bender made a motion to approve the May 30, 2023 minutes; the motion was seconded by P. Battaglia. Roll call resulted as follows:

- P. Battaglia - Yes
- M. Gray - Yes
- T. Bender - Yes
- P. Zeliff - Absent

The item was approved as presented.

3. DISCUSSIONS / OFFICIAL RECOMMENDATIONS OF THE COMMITTEE:

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

- On the balance sheet, restricted cash in the \$8 Million and \$33 Million STAMP imprest accounts decreased by about \$400,000. GURFs were submitted to ESD and expenditures were paid in May. Unearned revenue decreased by about the same amount as revenue is recognized as qualifying expenditures are made.
- In the operating fund, operating expenses that are over budget are related to expenditures that are front loaded. These line items are beginning to level out (i.e. Unemployment Insurance, HSA contributions, Dues & Subscriptions).
- In the STAMP fund, there is approximately \$400,000 of grant revenue, as well as the corresponding expenditures.
- Other than the above-mentioned items, there is normal monthly activity on the income statements for all funds for May.

P. Battaglia made a motion to recommend to the full Board the approval of the May 2023 Financial Statements as presented; the motion was seconded by T. Bender. Roll call resulted as follows:

- P. Battaglia - Yes
- M. Gray - Yes
- T. Bender - Yes
- P. Zeliff - Absent

The item was approved as presented.

3b. Assessment of the Effectiveness of Internal Control –Public Authorities Law requires all Public Authorities to complete an annual assessment of the effectiveness of their internal control structures and procedures.

The 2023 Assessment of the Effectiveness of Internal Controls identifies and summarizes the controls in place for major business functions. There are no changes to the detailed control narrative since

approved last year. A list of vendors that the Committee has authorized staff to pay online is included as part of the narrative.

The Committee is asked to review and approve the Assessment of the Effectiveness of Internal Controls annually (this is not brought to the full Board for approval).

T. Bender made a motion to approve of the Assessment of the Effectiveness of Internal Control as presented; the motion was seconded by P. Battaglia. Roll call resulted as follows:

P. Battaglia - Yes
M. Gray - Yes
T. Bender - Yes
P. Zeliff - Absent

The item was approved as presented.

3c. Key Bank Line of Credit Renewal – The GCEDC has a \$1M line of credit with Key Bank. In previous years we discussed changing this from a committed line to a demand line. This would eliminate the non-usage fee and ultimately afford GCEDC the comfort of having a line in place if needed, however there is no guarantee that the money is available during the negotiated term. Moving forward there will be only internal bank credit reviews/renewals, but no need to sign or update documentation annually unless the terms were to change. Any future modifications to the line are always less expensive and normally faster if there is an existing line. The one caveat to a demand line is the bank can call the line as opposed to the current committed line which has an agreed upon term and maturity date.

P. Battaglia made a motion to recommend to the full Board the approval of the Key Bank demand line of credit renewal at the same terms; the motion was seconded by T. Bender. Roll call resulted as follows:

P. Battaglia - Yes
M. Gray - Yes
T. Bender - Yes
P. Zeliff - Absent

The item was approved as presented.

3d. Cyber Insurance - There was a presentation given by Lawley on Cyber Insurance at the beginning of the meeting. The Cyber Liability coverage option presented is through Travelers. Travelers offered a quote of \$6,365 for the 23-24 term, which is a significant decrease in premium total over last year. For the 22-23 term, the premium totaled \$10,289.17. Travelers maintained the \$1M limit, Cyber Crime sublimit, and \$10K retention that is included with our current policy, which expires 6/30.

The cost of this policy is \$6,365 and will be split evenly between the GCEDC (\$3,182.50) and the GGLDC (\$3,182.50).

P. Battaglia made a motion to recommend to the full Board the approval of Cyber Insurance with Travelers not to exceed \$3,182.50 as presented; the motion was seconded by T. Bender. Roll call resulted as follows:

P. Battaglia - Yes
M. Gray - Yes
T. Bender - Yes
P. Zelif - Absent

The item was approved as presented.

4. ADJOURNMENT

As there was no further business, T. Bender made a motion to adjourn at 9:15 a.m., seconded by P. Battaglia and passed unanimously.

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

DRAFT

	<u>6/30/23</u>	<u>5/31/23</u>	<u>[Per Audit]</u> <u>12/31/22</u>
ASSETS:			
Cash - Unrestricted	\$ 6,167,150	\$ 6,189,444	\$ 6,428,049
Cash - Restricted (A)(1)	8,326,212	8,312,491	8,955,862
Cash - Reserved (B)	808,277	803,806	797,149
Cash - Subtotal	15,301,639	15,305,741	16,181,060
Grants Receivable (2)	61,119	60,119	67,663
Accounts Receivable (3)	98,238	66,293	105,672
Deposits	2,832	2,832	2,832
Prepaid Expense(s) (4)	43,101	50,407	25,691
Loans Receivable - Current	56,205	57,688	54,539
Total Current Assets	15,563,134	15,543,080	16,437,457
Land Held for Dev. & Resale (5)	23,103,659	23,103,659	22,615,924
Furniture, Fixtures & Equipment	71,257	71,257	71,257
Total Property, Plant & Equip.	23,174,916	23,174,916	22,687,181
Less Accumulated Depreciation	(69,511)	(69,456)	(69,183)
Net Property, Plant & Equip.	23,105,405	23,105,460	22,617,998
Loans Receivable- Non-current (Net of \$47,429 Allow. for Bad Debt)	108,951	113,815	138,073
Right to Use Assets, Net of Accumulated Amortization	30,078	30,078	30,078
Net Pension Asset (10)	200,580	200,580	200,580
Other Assets	339,609	344,473	368,731
TOTAL ASSETS	39,008,148	38,993,013	39,424,186
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Outflows (10)	416,930	416,930	416,930
Deferred Outflows of Resources	416,930	416,930	416,930
LIABILITIES:			
Accounts Payable (6)	20,295	12,509	218,950
Loan Payable - Genesee County - Current (7)	315,000	315,000	305,000
Accrued Expenses	23,223	18,145	30,879
Lease Payable - Current	12,167	12,167	12,167
Unearned Revenue (8)	8,038,516	8,038,466	8,533,938
Total Current Liabilities	8,409,201	8,396,287	9,100,934
Loans Payable - ESD (9)	5,196,487	5,196,487	5,196,487
Loan Payable - Genesee County - Noncurrent (7)	2,510,000	2,510,000	2,825,000
Lease Payable - Noncurrent	17,911	17,911	17,911
Total Noncurrent Liabilities	7,724,398	7,724,398	8,039,398
TOTAL LIABILITIES	16,133,599	16,120,685	17,140,332
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Inflows (10)	712,344	712,344	712,344
Deferred Inflows of Resources	712,344	712,344	712,344
NET ASSETS	\$ 22,579,135	\$ 22,576,914	21,988,440

Significant Events:

1. 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.
2. Grants Receivable - National Grid grants support marketing and development activities for STAMP and the LeRoy Food & Tech Park.
3. Accounts Receivable - Econ. Dev. Program Support Grant, MedTech Centre Property Management, etc.
4. Prepaid Expense(s) - Cyber, D&O, life, general liability, umbrella, workers compensation and short-term disability insurance, etc.
5. Land Held for Dev. & Resale - Additions are related to STAMP development costs.
6. Accounts Payable - e3communications and interest earned on imprest accounts that will be remitted to ESD.
7. 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.
8. 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.
9. Loans Payable - ESD - Loans from ESD to support STAMP land acquisition and related soft costs.
10. Net Pension Asset / Deferred Pension Outflows / Deferred Pension Inflows - Accounts related to implementation of GASB 68.

(A) Restricted Cash = GAIN! Loan Funds, Municipal Funds, Grant Funds Received in Advance.

(B) Reserved Cash = RLF #1 Funds (defederalized).

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

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	Month to Date		YTD		2023	2023
	6/30/23	6/30/22	2023	2022	Board Appr.	YTD %
					<u>Budget</u>	<u>of Budget</u>
<u>Operating Revenues:</u>						
Genesee County	\$ 19,459	\$ 19,460	\$ 116,755	\$ 116,756	\$ 233,513	50%
Genesee County - WFD	2,083	2,083	12,499	12,500	25,000	50%
Fees - Projects	17,500	500	162,438	303,218	487,000	33%
Fees - Services	7,262	7,099	43,572	42,595	87,146	50%
Interest Income on Loans	183	231	1,157	1,445	2,170	53%
Rent	-	8,750	7,507	16,393	32,910	23%
Common Area Fees - Parks	-	-	391	373	380	103%
Grants (1)	1,000	219,051	1,001,360	3,302,280	4,600,459	22%
GGLDC Grant- Econ. Dev. Program Support	25,000	25,000	150,000	150,000	300,000	50%
BP ² Revenue	7,503	-	7,503	3,532	52,819	14%
Other Revenue	-	-	5,246	557	5,000	105%
Total Operating Revenues	79,990	282,174	1,508,428	3,949,649	5,826,397	26%
<u>Operating Expenses</u>						
General & Admin	107,131	102,353	753,701	719,372	1,519,303	50%
Professional Services	8,492	4,509	46,085	40,016	206,620	22%
Site Maintenance/Repairs	-	447	2,236	2,683	38,000	6%
Property Taxes/Special District Fees	-	-	5,275	3,518	3,030	174%
BP ² Expense	-	-	-	-	17,244	0%
PIF Expense	-	-	48,162	43,296	151,906	32%
Site Development Expense (2)	-	6,372	160,652	2,369,137	3,666,277	4%
Real Estate Development (3)	-	212,179	487,736	846,130	477,223	102%
Balance Sheet Absorption	-	(212,179)	(487,736)	(846,130)	-	N/A
Total Operating Expenses	115,623	113,681	1,016,111	3,178,022	6,079,603	17%
Operating Revenue (Expense)	(35,633)	168,493	492,317	771,627	(253,206)	
<u>Non-Operating Revenue</u>						
Other Interest Income (4)	37,854	1,637	98,378	6,733	5,900	1667%
Total Non-Operating Revenue	37,854	1,637	98,378	6,733	5,900	1667%
Change in Net Assets	2,221	170,130	590,695	778,360	\$ (247,306)	
Net Assets - Beginning	22,576,914	20,191,725	21,988,440	19,583,495		
Net Assets - Ending	\$ 22,579,135	\$ 20,361,855	\$ 22,579,135	\$ 20,361,855		

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 3-month CD for additional interest income.







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

DRAFT

	June 2023	YTD
CASH FLOWS USED BY OPERATING ACTIVITIES:		
Genesee County	\$ 21,542	\$ 150,796
Fees - Projects	17,500	139,938
Fees - Services	-	43,084
Interest Income on Loans	233	1,069
Rent	-	15,756
Common Area Fees - Parks	-	391
Grants	-	513,528
BP ² Revenue	7,503	7,503
GGLDC Grant - Economic Development Program Support	-	150,000
Other Revenue	-	5,246
Repayment of Loans	6,347	27,456
General & Admin Expense	(90,375)	(782,456)
Professional Services	(8,492)	(60,625)
Site Maintenance/Repairs	-	(2,236)
Site Development	-	(264,089)
Property Taxes/Special District Fees	-	(5,275)
PIF Expense	-	(48,162)
Improv/Additions/Adj to Land Held for Development & Resale	-	(570,672)
Net Cash Used By Operating Activities	(45,742)	(678,748)
CASH FLOWS USED BY NONCAPITAL FINANCING ACTIVITIES:		
Principal Payments on Loan	-	(305,000)
Net Cash Used By Noncapital Financing Activities	-	(305,000)
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES:		
Interest Income (Net of Remittance to ESD)	41,640	104,327
Net Change in Cash	(4,102)	(879,421)
Cash - Beginning of Period	15,305,741	16,181,060
Cash - End of Period	\$ 15,301,639	\$ 15,301,639
RECONCILIATION OF NET OPERATING REVENUE (EXPENSE) TO NET CASH USED BY OPERATING ACTIVITIES:		
Operating Revenue (Expense)	\$ (35,633)	\$ 492,317
Depreciation Expense	55	328
Decrease (Increase) in Operating Accounts/Grants Receivable	(32,945)	13,978
Decrease (Increase) in Prepaid Expenses	7,306	(17,410)
Decrease in Loans Receivable	6,347	27,456
Increase in Land Held for Development & Resale	-	(487,735)
Increase (Decrease) in Operating Accounts Payable	4,000	(204,604)
Increase (Decrease) in Accrued Expenses	5,078	(7,656)
Decrease in Unearned Revenue	-	(495,472)
Total Adjustments	(10,159)	(1,171,115)
Net Cash Used By Operating Activities	\$ (45,792)	\$ (678,798)

Budget Timeline

Genesee County Economic Development Center

-  June/July Planning Assumptions / Preliminary Inputs
-  Aug 1 Budget Workshop - Audit & Finance Committee Meeting
*Review / Discuss Budget Assumptions and Preliminary Inputs
-  Sept 5 Audit & Finance Committee Review of Draft Budget & Recommendation
-  Sept 7 Board Review & Approval
-  Sept 8 Submission to Genesee County Manager
-  By Nov 1 Budget to ABO/Post on GCEDC Web Site