

GENESEE GATEWAY LOCAL  
DEVELOPMENT CORPORATION

CONSOLIDATED FINANCIAL STATEMENTS

Year Ended December 31, 2023

DRAFT

**GENESEE GATEWAY LOCAL DEVELOPMENT CORPORATION**

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**FINANCIAL SECTION**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Genesee Gateway Local Development Corporation  
Batavia, New York

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying consolidated financial statements of Genesee Gateway Local Development Corporation (GGLDC), its wholly owned subsidiary Genesee Agri-Business, LLC (GABLLC) and their discretely presented component units, STAMP Sewer Works, Inc., and STAMP Water Works, Inc. as of and for the year ended December 31, 2023, and the related notes to the consolidated financial statements, which collectively comprise the GGLDC's basic financial statements, as listed in the table of contents.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the respective financial position of the GGLDC as of December 31, 2023, and the respective changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of GGLDC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management 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; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about GGLDC's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. 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, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements;
- Obtain an understanding of internal control relevant to the audit 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 GGLDC's internal control. Accordingly, no such opinion is expressed;
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements; and
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about GGLDC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

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

Accounting principles generally accepted in the United States of America require that the Management's Discussion & Analysis on pages 4 – 9 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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, 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 basic financial statements, and other knowledge we obtained during our audit of the basic 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.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the consolidated financial statements that collectively comprise GGLDC's basic financial statements. The accompanying supplementary information on Pages 25 through 28 are presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and the other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated March , 2024; on our consideration of GGLDC'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 GGLDC'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 GGLDC'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 , 2024, on our consideration of GGLDC's compliance with Section 2925 of New York State Public Authorities Law. The purpose of that report is to determine whether GGLDC 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 , 2024

*Mostert, Manzanero & Scott, LLP*

## **Genesee Gateway Local Development Corporation Management's Discussion and Analysis Year Ended December 31, 2023**

This section of the Genesee Gateway Local Development Corporation's (GGLDC) annual financial report presents our discussion and analysis of the GGLDC's financial performance during the fiscal year that ended on December 31, 2023 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 basic financial statements. The GGLDC is a 501(c)3 non-profit organization whose mission is to assist local economic development efforts by making real estate development investments to bolster shovel-ready tech and industrial park development and to provide tax and other related financial assistance to commercially viable projects in Genesee County thereby enabling the continued development of a sustainable long-term economy.

GGLDC follows enterprise fund reporting. These statements are presented in a manner similar to a private business, such as a property management company. While detailed sub-fund information is not presented, separate accounts are maintained for each fund to control and manage transactions for specific purposes and to demonstrate that the GGLDC is meeting its contractual obligations.

The financial reporting entity includes organizations, functions, and activities over which appointed officials exercise oversight responsibility.

- The Genesee Agri-Business, LLC (GABLLC) has been included in the reporting entity. The GABLLC is a single member LLC whose only member is the GGLDC. The GABLLC owns the 250-acre Genesee Valley Agri-Business Park (GVAB) located in the Town of Batavia. The GVAB is a shovel ready park dedicated to food processing companies. This park is home to Upstate Niagara Cooperative's food processing facility, a food processing support company, Markttec Products, Inc., and a dairy processing plant, HP Hood.
- The STAMP Water Works, Inc. and STAMP Sewer Works, Inc. were formed under Transportation Corporations Law of the State of New York to provide onsite water and sewer services to tenants at WNY STAMP (Science and Technology Advanced Manufacturing Park). The GGLDC is the sole member of both entities. Both the STAMP Water Works, Inc. and STAMP Sewer Works, Inc. have been included in the GGLDC as discretely presented component units.

## Affiliated Entities

The Genesee County Industrial Development Agency D/B/A Genesee County Economic Development Center (GCEDC), was established by the Genesee County Legislature in 1970 under New York State's General Municipal Law. The GCEDC is a component unit of Genesee County (the County). The GCEDC's mission is to facilitate local economic growth and development which fosters investment and job creation for the benefit of our residents and children. We do this by offering financial assistance, real estate solutions, workforce development programming and placemaking options in order to build back local and regional manufacturing and by supporting the continued growth and success of our local businesses all across Genesee County.

## Financial Analysis of the Corporation

	2023	2022	Higher/ (Lower) Prior Year	% Increase (Decrease)
Cash & Cash Equivalents	\$ 6,317,302	\$ 5,541,182	\$ 776,120	14%
Total Current Assets	\$ 7,462,381	\$ 6,538,735	\$ 923,646	14%
Land Held for Development & Sale	\$ 3,521,964	\$ 3,521,964	\$ -	0%
Capital Assets, Net	\$ 4,752,955	\$ 4,900,556	\$ (147,601)	(3%)
Lease Receivable - Noncurrent	\$ 2,025,358	\$ 2,562,258	\$ (536,900)	(21%)
Loans Receivable - Noncurrent	\$ 777,143	\$ 1,156,666	\$ (379,523)	(33%)
Total Current Liabilities	\$ 437,294	\$ 456,302	\$ (19,008)	(4%)
Total Noncurrent Liabilities	\$ 4,181,726	\$ 4,443,811	\$ (262,085)	(6%)
Total Net Position	\$ 11,713,355	\$ 10,743,467	\$ 969,888	9%
Operating Revenues	\$ 2,486,411	\$ 3,379,018	\$ (892,607)	(26%)
Operating Expenses	\$ 1,538,441	\$ 2,516,081	\$ (977,640)	(39%)
Net Operating Income	\$ 947,970	\$ 862,937	\$ 85,033	10%

Total current assets increased by \$923,646 (14%) which is mostly attributable to:

- An increase in cash and cash equivalents.
  - The GGLDC received the first payment of approximately \$900K from Plug Power related to a Host Community Investment Agreement to support STAMP development and infrastructure improvements.
  - The GGLDC and GABLLC invested in short-term CDs beginning June 2023, generating significant interest income.
- Loans Receivable – Current increased due to the reclassification of the Freightliner & Western Star Deferred Loan (\$224,500) from noncurrent. This loan matures in 2024.

Net capital assets decreased by \$147,601 (-3%) due to depreciation expense for the year.



The following table summarizes GGLDC's results of operations for the fiscal years ended December 31, 2023 and 2022 and changes between the years:

	2023	2022	% Increase / (Decrease)
<b>OPERATING REVENUES</b>			
Grant Income	\$ 1,617,660	\$ 2,607,662	(38%)
Gain on Land Held for Development and Sale	\$ -	\$ (78,904)	N/A
Fees	\$ 15,308	\$ 24,114	(37%)
Interest Income on Loans	\$ 36,316	\$ 20,403	78%
Interest Income on Leases	\$ 105,078	\$ 123,346	(15%)
Other Income	\$ 20,915	\$ 1,372	1,424%
Rent / Lease Revenue	\$ 691,134	\$ 681,025	1%
Total Operating Revenues	<u>\$ 2,486,411</u>	<u>\$ 3,379,018</u>	(26%)
<b>OPERATING EXPENSES</b>			
General & Administrative	\$ 26,752	\$ 12,294	118%
Property Related Expenses	\$ 357,819	\$ 326,128	10%
Site Development	\$ -	\$ 4,836	N/A
Grant Expense	\$ 979,703	\$ 1,890,297	(48%)
Utilities	\$ 17,434	\$ 19,911	(12%)
Professional Fees	\$ 156,733	\$ 262,615	(40%)
Total Operating Expenses	<u>\$ 1,538,441</u>	<u>\$ 2,516,081</u>	(39%)
Net Operating Income	\$ 947,970	\$ 862,937	10%
<b>NON-OPERATING REVENUES/(EXPENSES)</b>			
Other Interest Income	\$ 173,939	\$ 4,549	3,724%
Interest Expense	\$ (152,021)	\$ (160,118)	(5%)
Total Non-Operating Revenues/(Expenses)	<u>\$ 21,918</u>	<u>\$ (155,569)</u>	(114%)
Change in Net Position	<u>\$ 969,888</u>	<u>\$ 707,368</u>	37%

Decrease in income from grants of \$990,002 (-38%):

- See Grant Income section for details of grant revenue recorded in 2023.

Decrease in gain on land held for development and sale of \$78,904 (-100%):

- No land sales in 2023.

Increase in interest income on loans of \$15,913 (78%) attributable to a new \$200K loan with J&R Fancher in 2023.

Increase in other income of \$19,543 (1,424%) is mostly attributable to a non-refundable customer deposit that was received in 2022 by the Genesee Agri-Business, LLC. The customer did not move forward with the PSA; therefore, the deposit was recorded as other income in 2023.

Increase in General & Administrative expenses of \$14,458 (118%) include Workforce Development initiatives of \$25,595.

Grant expense for 2023 includes:

- A capital grant to the GLOW YMCA supporting project capital costs and reducing a funding gap. The project site will integrate a new YMCA facility with medical facilities as part of the Healthy Living Campus.
- A grant to the Genesee County Economic Development Center to provide seed funding for the Batavia Home Fund.
- Genesee CARES Business Relief Fund; Genesee County secured over \$1.5M in CDBG funding to support local businesses that have been negatively impacted by COVID-19. These funds were disbursed to awardees in 2022 and 2023.

Increase in non-operating other interest income of \$169,390 (3,724%) is mostly attributable to interest income generated from the investment in short-term CDs by both the GGLDC and GABLLC.

### **Grant Income**

Grant income in support of corporate park and other development initiatives totaled \$1,617,660 in 2023. The various funding sources for the major grant revenue recognized during the year are described below:

- \$93,000 Annual Community Benefit Agreement payment committed by CNL Income Darien Lake to support infrastructure development in Western Genesee County. Payments occur over 20 years (2008-2027).
- \$100,000 Funding from four solar projects to support Workforce Development Initiatives and the overall Economic Development Program.
- \$520,432 Office of Community Renewal Grant to support the Genesee CARES Business Relief Fund.
- \$900,228 Host Community Investment Agreement with Plug Power to support STAMP development and infrastructure improvements.
- \$4,000 A grant from ESL Federal Credit Union to benefit the Genesee County BEA for Young Dexter Steam Camp. GGLDC accepting sponsorship on the BEA's behalf.

## Activities

The activities of the GGLDC are organized on the basis of nine divisions, each of which are internally considered a separate accounting entity. A brief overview of the separate divisions of the GGLDC follows:

**The Operating Fund** accounts for general administration of the GGLDC.

**Gateway II Fund:** Gateway II Corporate Park, located in the Town of Batavia, is a 57 acre site that is ideal for distribution, warehouse, light manufacturing, office and construction equipment industries needing quick access to the New York State Thruway. The shovel-ready park is home to Ashley Furniture's distribution center and Gateway GS, LLC that has three of five proposed spec buildings at the site, with two currently under construction. Ashley Furniture purchased an approximate 2-acre parcel and Mega Properties purchased the remaining vacant acreage at the park in 2021.

**Buffalo East Fund:** The Buffalo East Tech Park (BETP) is a 67-acre site located directly off Exit 48A of the New York State Thruway in the Town of Pembroke. Strategic advantages of the park include access to workforce from both the Buffalo and Rochester regions and low-cost hydro-power options for occupants. The GCEDC/GGLDC and the Town of Pembroke, in cooperation with the Village of Corfu, completed the expansion of the wastewater treatment facility's capacity by construction a new 150,000 gpd treatment plant. Current tenants include Yancey's Fancy and Professional Turf Services. J & R Fancher Specialties, LLC purchased 17 acres in 2022 and has begun construction on their mixed use facility that has first floor retail and two stories of market rate apartments. The project was completed in 2023.

**Ag Park Fund** is a one of a kind, 250-acre agri-business and food processing park focused on attracting food processing and related companies to the site. The park is currently home to HP Hood, Upstate Niagara and Marktec Industries. The park is fully shovel ready. Several other companies are currently looking at the park for the potential construction/location of their production facilities.

**MedTech Park Fund** - MedTech Park, a 34-acre shovel-ready park located in the Town of Batavia, is home to the Dr. Bruce A. Holm MedTech Centre. The park is equipped with electric, gas and broadband and is dedicated to life science and medical device companies. Marketing the shovel-ready acreage available at the MedTech Park continued in 2023. YSG Solar will be completing construction of a community solar farm on approximately 7 acres at the MedTech Park in early 2024. In 2022, a purchase and sale agreement was entered into for the sale of 9 acres for the construction of a market rate apartment complex. This project is anticipated to close in 2024.

**WNY STAMP Fund** - WNY STAMP (Science and Technology Advanced Manufacturing Park) is a 1,250-acre advanced manufacturing park located 5 miles north of I-90 Exit 48A in the Town of Alabama. The GGLDC currently owns 53 acres within the STAMP site. Most of the WNY STAMP site is owned by the GCEDC and development activities are currently being undertaken by the GCEDC.

**MedTech Centre Fund** - MedTech Centre is a 43,000 square foot building known as the Dr. Bruce A. Holm Upstate MedTech Centre and is located within the 34-acre MedTech Park near Genesee Community College (GCC). GCC’s School of Nursing occupies the entire second floor.

UMMC’s Summit Physical and Occupational Therapy Center is located on the first floor of the building and serves residents of Genesee and surrounding counties. GCEDC and GGLDC offices are also located on the first floor. A medical device company, First Wave Technologies, is currently occupying a portion of the accelerator space within MedTech Centre. The remaining available space is available for lease. The GGLDC also has the Innovation Zone space that is available to companies in the community offering office space and video teleconferencing abilities at a low cost. It also creates a welcoming environment for young entrepreneurs to get together, share their ideas and cultivate new business opportunities.

**Economic Development Loan Fund** – This fund accounts for activity related to a subrecipient agreement between the GCEDC and Genesee County, along with a grant agreement between the GGLDC and Genesee County. GCEDC revolving loan funds have been directed to the GGLDC by Genesee County for the disbursement and administration of approved loans. The GGLDC is using the repayments on those County approved loans to provide additional loans to qualifying businesses.

**Batavia Micropolitan Area Redevelopment Fund** - This is a loan fund established to foster investments in business districts across the Batavia Micropolitan area which facilitates redevelopment of underutilized buildings and sites.

**Capital Assets**

The following table summarizes the changes in GGLDC capital assets between fiscal years 2023 and 2022:

**Changes in Capital Assets between Fiscal Years 2023 and 2022**

**Financial Highlights**

	2023	2022	Increase / (Decrease)
Furniture & Equipment	\$ 46,599	\$ 46,599	\$ -
Building and Improvements	\$ 7,248,620	\$ 7,202,120	\$ 46,500
Less Accumulated Depreciation	\$ (2,542,264)	\$ (2,348,163)	\$ (194,101)
Net Capital Assets	\$ 4,752,955	\$ 4,900,556	\$ (147,601)
Land Held for Development & Sale	\$ 3,521,964	\$ 3,521,964	\$ -

**Contacting GGLDC’s Financial Management**

This financial report is designed to provide our clients and the public with a general overview of the GGLDC’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 Gateway Local Development Corporation, 99 MedTech Drive, Batavia, New York, 14020.

GENESEE GATEWAY LOCAL DEVELOPMENT CORPORATION

CONSOLIDATED STATEMENT OF NET POSITION  
DECEMBER 31, 2023

	Primary Government	Component Units
<b>draft</b>		
<b>ASSETS:</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 6,317,302	\$ 165,878
Accounts receivable	15,520	1,861
Interest receivable	8,246	-
Prepaid items	3,335	-
Lease receivable - current portion	536,899	-
Loans receivable - current portion	581,079	-
Total current assets	7,462,381	167,739
<b>Noncurrent assets:</b>		
Lease receivable - noncurrent portion	2,025,358	-
Loans receivable - noncurrent portion (net of \$170,238 allowance for bad debts)	777,143	-
Land held for development and sale	3,521,964	-
Capital assets, net	4,752,955	-
Equity investment - STAMP Sewer & Water, Inc.	275,000	-
Total noncurrent assets	11,352,420	-
Total assets	18,814,801	167,739
<b>LIABILITIES:</b>		
<b>Current liabilities:</b>		
Accounts payable	58,627	70,184
Customer deposit	20,000	-
Security deposits payable	109,944	4,000
Unearned revenue	1,773	-
Bond payable - current portion	156,909	-
Loan payable - current portion	90,041	-
Total current liabilities	437,294	74,184
<b>Noncurrent liabilities:</b>		
Bond payable - noncurrent portion	2,179,828	-
Loan payable - noncurrent portion	2,001,898	-
Total noncurrent liabilities	4,181,726	-
Total liabilities	4,619,020	74,184
<b>Deferred Inflow of Resources:</b>		
Deferred inflow - leases	2,482,426	-
Total deferred inflow of resources	2,482,426	-
<b>NET POSITION:</b>		
Net investment in capital assets	324,279	-
Shareholder's equity - STAMP Sewer, Inc	-	250,000
Shareholder's equity - STAMP Water, Inc	-	25,000
Restricted	674,775	-
Unrestricted	10,714,301	(181,445)
Total net position	\$ 11,713,355	\$ 93,555

See accompanying notes to the consolidated financial statements.

GENESEE GATEWAY LOCAL DEVELOPMENT CORPORATION

CONSOLIDATED STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
YEAR ENDED DECEMBER 31, 2023

	Primary Government	Component Units
<b>OPERATING REVENUES:</b>		
Fees	\$ 15,308	\$ 500
Grant income	1,617,660	-
Interest income on loans	36,316	-
Interest income on leases	105,078	-
Lease revenue	554,173	-
Rental income	136,961	-
Other income	20,915	1,906
Total operating revenues	<u>2,486,411</u>	<u>2,406</u>
<b>OPERATING EXPENSES:</b>		
Brokerage fees	461	-
Depreciation	194,101	-
Fees and permits	378	202
Grant expense	979,703	-
Insurance	59,944	-
Miscellaneous	25,595	-
Professional fees	156,272	184,012
Site maintenance	88,703	-
Source of supply	-	2,112
Special district fees	15,071	-
Supplies	779	-
Utilities	17,434	-
Total operating expenses	<u>1,538,441</u>	<u>186,326</u>
Operating income (loss)	<u>947,970</u>	<u>(183,920)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Interest expense	(152,021)	-
Other interest income	173,939	2,475
Total nonoperating revenues	<u>21,918</u>	<u>2,475</u>
Change in net position	969,888	(181,445)
Net position - beginning	10,743,467	-
Add: Equity contribution	-	275,000
Net position - ending	<u>\$ 11,713,355</u>	<u>\$ 93,555</u>

draft

See accompanying notes to the consolidated financial statements.

GENESEE GATEWAY LOCAL DEVELOPMENT CORPORATION

CONSOLIDATED STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2023

	Primary Government	Component Units
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Connection fees	\$ -	\$ 500
Customer deposits	-	4,000
Fees	11,108	-
Grant income	1,651,985	-
Interest income on loans	36,900	-
Interest income on leases	105,078	-
Lease revenue	554,173	-
Rental income	94,923	-
Other income	20,734	-
Water sales	-	45
Repayment of loans	425,308	-
Issuance of loans	(200,000)	-
Brokerage fees	(1,766)	-
Fees and permits	(378)	(152)
Grant expense	(975,703)	-
Insurance	(59,191)	-
Miscellaneous expense	(25,595)	-
Professional fees	(197,505)	(115,990)
Site maintenance	(84,001)	-
Special district fees	(15,071)	-
Supplies	(717)	-
Utilities	(17,299)	-
Net cash provided (used) by operating activities	<u>1,322,983</u>	<u>(111,597)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Principal payments on bonds and loans	(254,596)	-
Interest paid on bonds and loans	(152,021)	-
Deferred inflow of lease payments	(30,939)	-
Net cash used by capital and related financing activities	<u>(437,556)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Interest income	165,693	2,475
Equity investment in STAMP Sewer Works, Inc.	(250,000)	250,000
Equity investment in STAMP Water Works, Inc.	(25,000)	25,000
Net cash (used) and provided by investing activities	<u>(109,307)</u>	<u>277,475</u>
<b>Net increase in cash and cash equivalents</b>	<b>776,120</b>	<b>165,878</b>
Cash and cash equivalents - beginning of year	<u>5,541,182</u>	<u>-</u>
Cash and cash equivalents - end of year	<u>\$ 6,317,302</u>	<u>\$ 165,878</u>

draft

See accompanying notes to the consolidated financial statements.

GENESEE GATEWAY LOCAL DEVELOPMENT CORPORATION

CONSOLIDATED STATEMENT OF CASH FLOWS  
YEAR ENDED DECEMBER 31, 2023 (CONTINUED)

	<u>Primary Government</u>	<u>Component Units</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:</b>		
Operating income (loss)	\$ 947,970	\$ (183,920)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	194,101	-
(Increase) in accounts receivable	(6,477)	(1,861)
Decrease in grants receivable	34,325	-
Decrease in prepaid items	753	-
Decrease in loans receivable	225,308	-
(Decrease) Increase in accounts payable	(33,836)	70,184
Increase in customer deposits	-	4,000
Decrease in unearned revenue	(39,161)	-
Total adjustments	<u>375,013</u>	<u>72,323</u>
Net cash provided (used) by operating activities, page 11	<u>\$ 1,322,983</u>	<u>\$ (111,597)</u>

See accompanying notes to the consolidated financial statements.



## **GENESSEE GATEWAY LOCAL DEVELOPMENT CORPORATION**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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#### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the Genesee Gateway Local Development Corporation (the GGLDC) 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 of the GGLDC's accounting policies are described below.

##### **A. REPORTING ENTITY**

The GGLDC was created in 2004 with a focus on economic development opportunities related to real estate and corporate park development. The corporation is a public instrumentality formed exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code. The Genesee County Industrial Development Agency D/B/A Genesee County Economic Development Center (GCEDC) 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. Genesee Agri-Business, LLC has been included in the reporting entity as a blended component unit. The GGLDC is the sole member of both the STAMP Sewer Works, Inc. and the STAMP Water Works, Inc. Based on the assessment of management both corporations have been included in the GGLDC as discretely presented component units. The financial statements of the discretely presented component units can be obtained from the office of the GGLDC located at 99 MedTech Drive, Batavia, NY 14020.

The financial reporting entity consists of (a) the primary entity which is the GGLDC, (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 the GGLDC'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 the GGLDC is not a component unit of the GCEDC in accordance with U.S. GAAP.

##### **B. BASIS OF PRESENTATION**

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

The accounts of the GGLDC are organized on the basis of sub-funds or account groups. A separate sub-fund is used to account for each development project and an operating fund is used for all resources over which the board of directors has discretionary control to carry out the operations of the GGLDC. The following sub-funds are used: Operating fund, Gateway II fund, Buffalo East fund, Ag Park fund, Med Tech Park fund, WNY STAMP fund, Med Tech Centre fund, Economic Development Loan fund, and Batavia Micropolitan Area Redevelopment Loan fund.

##### **C. CONSOLIDATED FINANCIAL STATEMENT PRESENTATION**

The consolidated financial statements include the accounts of the GGLDC and the Genesee Agri-Business, LLC as a blended component unit and STAMP Sewer Works, Inc. and STAMP Water Works, Inc. as discretely presented component units. All significant intercompany balances and transactions have been eliminated in the

## GENESEE GATEWAY LOCAL DEVELOPMENT CORPORATION

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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accompanying consolidated financial statements. These consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America.

#### D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The GGLDC'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 the GGLDC 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 the GGLDC 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.

#### E. NET POSITION

Equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and related debt.
- b. Restricted - Consists of net positions with constraints on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted - All other net positions that do not meet the definition of "restricted" or "net investment in capital assets."

#### F. INCOME TAXES

The GGLDC is exempt from federal income taxes under Section 115 of the Internal Revenue Code. Accordingly, no provision for income taxes has been made on the accompanying financial statements.

#### G. CASH AND CASH EQUIVALENTS

The GGLDC'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 date of acquisition.

#### H. ACCOUNTS RECEIVABLE

Accounts receivable are reported at their net realizable value. Generally accepted accounting principles require the establishment of an allowance for uncollectible accounts. No allowance for uncollectible accounts receivable has been provided since management believes that such allowance would not be necessary.

#### I. LOANS RECEIVABLE

Loans receivable are shown net of the allowance for bad debts in accordance with generally accepted accounting principles. Receivables for loans are reviewed periodically by management to update the provisions for uncollectible amounts. These provisions are estimated based on an analysis of the aging of the receivable and any other factors known by management.

#### J. DUE TO/FROM OTHER FUNDS

During the course of operations, numerous transactions occur between individual sub-funds that may result in amounts owed between sub-funds. Those related to goods and service type transactions are classified as "due to and from other funds". All balances are eliminated on the Combining Statement of Net Position.

#### K. LAND HELD FOR DEVELOPMENT AND SALE

Land held for development and sale is valued at cost.

**GENESEE GATEWAY LOCAL DEVELOPMENT CORPORATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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L. EQUITY INVESTMENT IN GENESEE AGRI-BUSINESS, LLC (GAB, LLC), STAMP SEWER WORKS, INC., AND STAMP WATER WORKS, INC.

The GGLDC utilizes the equity method of accounting for its investment in these respective entities which results in the Equity Investment balance being increased or decreased by any contributions made or distributions to the GGLDC.

M. UNEARNED REVENUE

The GGLDC reports unearned revenue on its statement of net position. Unearned revenue arises when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. Unearned revenue also arises when resources are received by the GGLDC before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the GGLDC has legal claim to the resources, the liability for unearned revenue is removed and revenue is recognized.

N. CAPITAL ASSETS

Capital assets are recorded at acquisition cost and depreciated over the estimated useful lives of the respective assets using the straight-line method. The cost of repairs, maintenance and minor replacements is expensed as incurred, whereas expenditures that materially extend property lives are capitalized. When depreciable property is retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any gain or loss is reflected in income.

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the GGLDC are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Furniture and equipment	\$1,000	straight-line	5-7 years
Buildings and improvements	\$1,000	straight-line	30-40 years

O. STATEMENT OF CASH FLOWS

For the purposes of the consolidated statement of cash flows the GGLDC considers cash and cash equivalents to be all unrestricted and restricted cash accounts including demand accounts and short-term investments with original maturities of three months or less from the date of acquisition.

P. ACCOUNTING PRONOUNCEMENTS

The GGLDC has evaluated GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, and GASB Statement No. 99, *Omnibus 2022* and have determined that there is no significant impact for the year ended December 31, 2023 related to these Statements.

## GENESEE GATEWAY LOCAL DEVELOPMENT CORPORATION

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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

- Statement No. 100, *Accounting Changes and Error Corrections*-an amendment of GASB Statement No. 62 which is effective for the year ending December 31, 2024.
- Statement No. 101, *Compensated Absences*, which will be effective for the year ending December 31, 2024.
- Statement No. 102, *Certain Risk Disclosures*, which will be effective for the year ending December 31, 2025.

#### Q. USE OF ESTIMATES

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 affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources and disclosure 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.

#### **NOTE 2. DEPOSITS AND INVESTMENTS**

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

Collateral is required for demand deposits and certificates of deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts and 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.

As of December 31, 2023, the GGLDC's cash balances were fully collateralized or covered by FDIC insurance. As of December 31, 2023, cash balances of \$1,812,600 in the GAB, LLC were not fully collateralized or covered by FDIC insurance.

##### Investment and Deposit Policy

The GGLDC 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 GGLDC's Treasurer.

##### Interest Rate Risk

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

**GENESSEE GATEWAY LOCAL DEVELOPMENT CORPORATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

Credit Risk

The GGLDC’s policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. The GGLDC’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 United States Treasury and United States agencies.
- Obligations of the State of New York and its localities.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with the GGLDC’s investment and deposit policy, all deposits of the GGLDC including interest bearing demand accounts and certificates of deposit, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act (FDIC) shall be secured by a pledge of securities with an aggregate value equal to 100% of the aggregate amount of deposits. The GGLDC restricts the securities to the following eligible items: Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and United States agencies.

- Obligations issued or fully insured or guaranteed by New York State 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 3. LOANS RECEIVABLE**

The GGLDC provides low interest loans to businesses located in Genesee County in order to encourage economic development. Loans receivable consisted of the following at December 31, 2023:

	<u>Operating Fund Terms</u>	<u>Current</u>	<u>Noncurrent</u>
HP Hood, LLC (#1)	Annual payments for 5 years at 0% interest, maturing March 2024.	\$ 100,000	\$ -
Freightliner & Western Star of Batavia, LLC	Monthly payments for 5 years at 2% interest, maturing July 2024.	23,473	-
Freightliner & Western Star of Batavia, LLC (Deferred Loan)	No interest shall accrue on the outstanding principal; matures June 2024.	224,500	-
Kanaley Painting*	Monthly payments for 5 years at 2.25% interest, matured April 2015. The GGLDC is currently working on collecting this loan.	9,260	-
HP Hood, LLC (#2)	Annual payments for 5 years at 0% interest, maturing March 2027.	73,400	220,200
Upstate Niagara Cooperative, Inc	Annual payments for 5 years at 0% interest, maturing August 2027.	<u>73,400</u>	<u>220,200</u>
Subtotal – Operating Fund		<u>504,033</u>	<u>440,400</u>

**GENESEE GATEWAY LOCAL DEVELOPMENT CORPORATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

		<u>Economic Development Loan Fund</u>	<u>Current</u>	<u>Noncurrent</u>
Liberti, Valvo & Associates, LLC (#1)	Monthly payments for 7 years at 3.4% interest, maturing July 2024.		3,979	-
Yancey's Fancy, Inc.	Monthly payments for 5 years at 3% interest, maturing February 2024.		11,477	-
Liberti, Valvo & Associates, LLC (#2)	Monthly payments for 10 years at Prime Rate adjusted annually in January with a floor of 3%, maturing July 2030.		7,687	62,220
Fraser-Branche Property, LLC	Monthly payments for 10 years at Prime Rate adjusted annually in January with a floor of 3%, maturing June 2031.		12,865	107,068
LNK Holdings, Inc	Monthly payments for 10 years at Prime Rate adjusted annually in January with a floor of 3%, maturing January 2032.		<u>10,067</u>	<u>101,537</u>
Subtotal – Economic Development Loan Fund			<u>46,075</u>	<u>270,825</u>
		<u>Batavia Micropolitan Area Redevelopment Loan Fund</u>	<u>Current</u>	<u>Noncurrent</u>
Batavia Brewing Company, LLC	Payments of interest only for 12 months, thereafter monthly payments for 9 years at 3.4% interest, maturing January 2028.		17,128	56,624
JRR Fancher Property Holdings, LLC	Monthly payments for 10 years at Prime Rate, adjusted annually in January with a floor of 3%, maturing June 2033.		<u>13,843</u>	<u>179,532</u>
Subtotal – Batavia Micropolitan Area Redevelopment Loan Fund			<u>30,971</u>	<u>236,156</u>
Total Loans Receivable			<u>\$ 581,079</u>	<u>\$ 947,381</u>

The GGLDC estimated an allowance for bad debts in the Operating Fund of \$170,238, which is considered by management to be sufficient for any losses. Through evaluation of outstanding loan receivables in other funds, there is no additional allowance for doubtful accounts as of December 31, 2023.

**GENESEE GATEWAY LOCAL DEVELOPMENT CORPORATION****NOTES TO CONSOLIDATED FINANCIAL STATEMENTS****NOTE 4. CAPITAL ASSETS**

Capital asset activity for the GGLDC for the year ended December 31, 2023 was as follows:

	Balance <u>01/01/2023</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>12/31/2023</u>
Capital assets being depreciated				
Building and improvements	\$ 7,202,120	\$ 46,500	\$ -	\$ 7,248,620
Furniture and equipment	<u>46,599</u>	<u>-</u>	<u>-</u>	<u>46,599</u>
Total capital assets being depreciated	<u>7,248,719</u>	<u>46,500</u>	<u>-</u>	<u>7,295,219</u>
Less accumulated depreciation:				
Building and improvements	2,307,030	191,865	-	2,498,895
Furniture and equipment	<u>41,133</u>	<u>2,236</u>	<u>-</u>	<u>43,369</u>
Total accumulated depreciation	<u>2,348,163</u>	<u>194,101</u>	<u>-</u>	<u>2,542,264</u>
Total capital assets being depreciated, net	\$ <u>4,900,556</u>	\$ <u>(147,601)</u>	\$ <u>-</u>	\$ <u>4,752,955</u>

**NOTE 5. LAND HELD FOR DEVELOPMENT AND SALE,**

Land held for development and sale activity for the year ended December 31, 2023 was as follows:

	Balance <u>01/01/2023</u>	<u>Additions</u>	<u>Deletions</u>	Balance <u>12/31/2023</u>
GGLDC	\$ 2,182,234	\$ -	\$ -	\$ 2,182,234
GAB, LLC	<u>1,339,730</u>	<u>-</u>	<u>-</u>	<u>1,339,730</u>
Total	\$ <u>3,521,964</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>3,521,964</u>

**NOTE 6. UNEARNED REVENUE**

Interest received in advance related to GGLDC loans receivable totaled \$500 at December 31, 2023.

The GAB, LLC leases property to Firstlight Fiber, Inc. At December 31, 2023, rent received in advance totaled \$1,273.

**NOTE 7. LINE OF CREDIT**

In February 2011, the GGLDC obtained a revolving line of credit from Five Star Bank for \$700,000. The line carries an interest rate equal to prime rate, with a floor of 4%. Collateral consists of a first lien position General Security Agreement on all business assets of the GGLDC and a second lien position General Security Agreement on all business assets of GCEDC, a related entity.

At December 31, 2023, there was no funds drawn against the line of credit.

**GENESSEE GATEWAY LOCAL DEVELOPMENT CORPORATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**NOTE 8. LOANS PAYABLE**

Upon completion of construction of the MedTech Centre building in 2010, the GGLDC converted a construction loan into permanent financing. Permanent financing consists of a loan payable to the United States Department of Agriculture and two bonds payable to Five Star Bank (See Note 9). The debt is secured by the MedTech Centre building, along with any fixtures within.

The loan payable to the United States Department of Agriculture, with an original amount of \$3,000,000, is due in monthly installments of \$14,340 with an interest rate of 4%, maturing September 2040, or until paid in full. At December 31, 2023, there was a balance of \$2,091,939.

Current maturities of loans payable are as follows for the years ending December 31:

<u>Year ending December 31:</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 90,041	\$ 82,039
2025	93,710	78,370
2026	97,528	74,552
2027	101,501	70,579
2028	105,636	66,444
2029-2033	596,354	264,046
2034-2038	728,147	132,254
2039-2040	<u>279,022</u>	<u>9,944</u>
Total	<u>\$ 2,091,939</u>	<u>\$ 778,228</u>

**NOTE 9. BONDS PAYABLE**

In September 2010, the GGLDC closed on two bonds with Five Star Bank providing permanent financing related to construction of the MedTech Centre building.

The following is a summary of bonds with a corresponding maturity schedule:

<u>Description</u>	<u>Date Issued</u>	<u>Amount</u>	<u>Interest Rate*</u>	<u>Date of Final Maturity</u>	<u>Balance at 12/31/2023</u>
MedTech Centre – Taxable	09/10	\$1,078,095	3.16%	09/35	\$ 683,529
MedTech Centre – Tax Exempt	09/10	\$2,821,905	2.52%	09/35	<u>1,653,208</u>
					<u>\$ 2,336,737</u>

<u>Year ending December 31:</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 156,909	\$ 58,084
2025	176,914	57,625
2026	181,825	52,713
2027	186,874	47,664
2028	191,942	42,596
2029-2033	1,043,361	129,330
2034-2035	<u>398,912</u>	<u>10,082</u>
Total	<u>\$ 2,336,737</u>	<u>\$ 398,094</u>

\* In September 2020, interest rates on both bonds were adjusted.



## **GENESSEE GATEWAY LOCAL DEVELOPMENT CORPORATION**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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#### **NOTE 10. RELATED PARTY TRANSACTIONS**

The GGLDC has related party relationships with the Genesee County Industrial Development Agency D/B/A Genesee County Economic Development Center (GCEDC), the Genesee Agri-Business, LLC (GAB, LLC), STAMP Sewer Works, Inc. and STAMP Water Works, Inc.

The GAB, LLC was formed in December 2007 to engage in business that furthers the development of the Genesee Valley Agri-Business Park. The GGLDC is the sole member of the GAB, LLC.

The STAMP Sewer Works, Inc. and the STAMP Water Works, Inc. were formed in January 2021 to engage in the water and sewer operations at the STAMP facility located in the Town of Alabama, New York. The GGLDC is the sole member of both the STAMP Sewer Works, Inc. and the STAMP Water Works, Inc.

The GCEDC leases office space from the GGLDC. A lease agreement was entered into in July 2009 to occupy 3,100 square feet of office space at the Med Tech Centre building. The term of the lease is for 15 years commencing in June 2010, upon substantial completion of the building. This lease was amended in October 2015 to include an additional 1,400 square feet of space. As of January 2023, the monthly rent rate was \$1,611. At December 31, 2023, the GGLDC held a \$2,832 security deposit from the GCEDC as required by the lease agreement.

The GGLDC granted \$300,000 to the GCEDC in 2023 to support the continuing economic development program.

The GCEDC is a co-borrower on a \$3,000,000 loan to the GGLDC from the United States Department of Agriculture received on September 3, 2010. The loan has an interest rate of 4% and a term of 30 years. There was an outstanding balance of \$2,091,939 at December 31, 2023.

The GCEDC is a co-borrower on a \$700,000 line of credit that the GGLDC obtained from Five Star Bank in 2011. The line carries an interest rate equal to prime rate, with a floor of 4%. At December 31, 2023, there were no funds drawn against this line.

The GGLDC is a guarantor on four loans totaling \$5,196,487 to the GCEDC from Empire State Development. The loans have a 0% interest rate with no principal payment due for the first five years. At the end of the fifth year, Empire State Development could make a determination as to whether to (1) require a full principal balloon payment; (2) waive the obligation to repay the loans; or (3) extend the loans for another five year term with payment terms to be determined. These loans have been extended with a new maturity date of May 2026.

#### **NOTE 11. DARIEN LAKE PROJECT**

In consideration of significant economic incentives and community support provided by Genesee County to the owners/operators of Darien Lake theme park, in February 2008, Darien Lake committed to funding a Community Benefit Agreement ("CBA") totaling \$1,832,000 over twenty years to the GGLDC in support of infrastructure development and deployment for the public benefit. The CBA commenced October 1, 2008. A \$93,000 payment was received in 2023. Payments of \$93,000 will be received annually from 2024 through 2027.

#### **NOTE 12. EQUITY INVESTMENT**

The GGLDC owns 100% interest in the GAB, LLC. The GGLDC's equity investment in the GAB, LLC as of December 31, 2023 is \$2,562,240.

The GGLDC is the sole member of both the STAMP Sewer Works, Inc. and the STAMP Water Works, Inc. The GGLDC made an equity investment for the year in these entities in the amount of \$250,000 and \$25,000, respectively.

**GENESSEE GATEWAY LOCAL DEVELOPMENT CORPORATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

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**NOTE 13. NET POSITION**

Net position is comprised of three components: net investment in capital assets, restricted, and unrestricted:

Net investment in capital assets – This category groups all capital assets into one component of net assets. Accumulated depreciation and debt used to fund capital asset purchases reduce the balance in this category. The following presents a reconciliation of capital assets (net of accumulated depreciation), to net investment in capital assets:

Capital assets, net of accumulated depreciation	\$ 4,752,955
Loans payable	(2,091,939)
Bonds payable	<u>(2,336,737)</u>
Net investment in capital assets	<u>\$ 324,279</u>

Restricted net position – assets are reported as restricted when constraints are placed on asset use either by external parties or by law through constitutional provision or enabling legislation.

- *Restricted for Med Tech Centre* – represents funds required to be set aside for replacement/repair fund by an outside regulatory agency.
- *Restricted for Buffalo East* – represents funds remaining of the payments received towards the CBA with Darien Lake.

Unrestricted net position – This category represents net position of the GGLDC not restricted for any project or other purpose.

**NOTE 14 – LEASES**

The GGLDC and GAB, LLC are lessors for leases of real estate. The GGLDC and GAB, LLC recognize a lease receivable and a deferred inflow of resources in the consolidated financial statements.

At the commencement of a lease, the GGLDC and GAB, LLC initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as a revenue over the life of the lease term.

Key estimates and judgements include how the GGLDC and GAB, LLC determine 1) the discount rate used to discount the expected lease receipts to present value, 2) lease term, and 3) lease receipts.

The GGLDC and GAB, LLC do not have a set Incremental Rate of Return (IRR) for their real estate leases. In lieu of an IRR, the GGLDC and GAB, LLC calculate an implicit borrowing rate (IBR) using rates from US Treasuries based on lease term.

The lease term includes the non-cancelable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

**GENESEE GATEWAY LOCAL DEVELOPMENT CORPORATION**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

The GGLDC and GAB, LLC monitor changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

The total amount of inflows of resources, including lease revenue of \$540,728 and \$13,445 and interest revenue of \$103,292 and \$1,786, respectively, was recognized during the fiscal year.

The future lease receipts under lease agreements are as follows (in thousands):

Maturity Analysis - Lease	GGLDC		GAB, LLC		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 522,953	\$ 84,529	\$ 13,946	\$ 1,590	\$ 536,899	\$ 86,119
2025	320,056	66,726	14,460	1,387	334,516	68,113
2026	125,676	59,607	14,989	1,175	140,665	60,782
2027	131,134	53,409	15,530	957	146,664	54,366
2028	136,823	48,988	16,087	730	152,910	49,718
2029 – 2033	778,144	155,093	33,902	747	812,046	155,840
2034 – 2038	312,691	25,249	-	-	312,691	25,249
2039 – 2043	78,044	9,837	-	-	78,044	9,837
2044 – 2046	47,822	1,839	-	-	47,822	1,839
Total	\$ <u>2,453,343</u>	\$ <u>505,277</u>	\$ <u>108,914</u>	\$ <u>6,586</u>	\$ <u>2,562,257</u>	\$ <u>511,863</u>

The total consolidated principal and interest at December 31, 2023 is \$3,074,120.

**NOTE 15 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through XXXX, 2024, which is the date the financial statements are available for issuance, and have determined there are no subsequent events that require disclosure under generally accepted accounting principles.

**SUPPLEMENTARY INFORMATION**

DRAFT

GENESEE GATEWAY LOCAL DEVELOPMENT CORPORATION

SUPPLEMENTARY INFORMATION  
CONSOLIDATING STATEMENT OF NET POSITION  
DECEMBER 31, 2023

	Primary Government				Component Units		
	Genesee Gateway Local Development Corporation	Genesee Agri- Business LLC	Eliminations	Total	STAMP Sewer Works, Inc.	STAMP Water Works, Inc.	Total
<b>ASSETS:</b>							
<b>Current assets:</b>							
Cash and cash equivalents	\$ 3,624,728	\$ 2,692,574	\$ -	\$ 6,317,302	\$ 138,576	\$ 27,302	\$ 165,878
Accounts receivable	11,320	4,200	-	15,520	-	1,861	1,861
Interest receivable	3,839	4,407	-	8,246	-	-	-
Prepaid items	3,335	-	-	3,335	-	-	-
Lease receivable - current portion	522,953	13,946	-	536,899	-	-	-
Loans receivable - current portion	581,079	-	-	581,079	-	-	-
Total current assets	<u>4,747,254</u>	<u>2,715,127</u>	<u>-</u>	<u>7,462,381</u>	<u>138,576</u>	<u>29,163</u>	<u>167,739</u>
<b>Noncurrent assets:</b>							
Lease receivable - noncurrent portion	1,930,390	94,968	-	2,025,358	-	-	-
Loans receivable- noncurrent portion (net of \$170,238 allowance for bad debts)	777,143	-	-	777,143	-	-	-
Land held for development and sale	2,182,234	1,339,730	-	3,521,964	-	-	-
Capital assets, net	4,752,955	-	-	4,752,955	-	-	-
Equity investment in GAB, LLC	2,562,240	-	(2,562,240)	-	-	-	-
Equity investment - STAMP Sewer & Water, Inc.	275,000	-	-	275,000	-	-	-
Total noncurrent assets	<u>12,479,962</u>	<u>1,434,698</u>	<u>(2,562,240)</u>	<u>11,352,420</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	<u>17,227,216</u>	<u>4,149,825</u>	<u>(2,562,240)</u>	<u>18,814,801</u>	<u>138,576</u>	<u>29,163</u>	<u>167,739</u>
<b>LIABILITIES:</b>							
<b>Current liabilities:</b>							
Accounts payable	58,627	-	-	58,627	64,547	5,637	70,184
Customer deposit	-	20,000	-	20,000	-	-	-
Security deposits payable	109,944	-	-	109,944	-	4,000	4,000
Unearned revenue	500	1,273	-	1,773	-	-	-
Bond payable - current portion	156,909	-	-	156,909	-	-	-
Loan payable - current portion	90,041	-	-	90,041	-	-	-
Total current liabilities	<u>416,021</u>	<u>21,273</u>	<u>-</u>	<u>437,294</u>	<u>64,547</u>	<u>9,637</u>	<u>74,184</u>
<b>Noncurrent liabilities:</b>							
Bond payable - noncurrent portion	2,179,828	-	-	2,179,828	-	-	-
Loan payable - noncurrent portion	2,001,898	-	-	2,001,898	-	-	-
Total noncurrent liabilities	<u>4,181,726</u>	<u>-</u>	<u>-</u>	<u>4,181,726</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>4,597,747</u>	<u>21,273</u>	<u>-</u>	<u>4,619,020</u>	<u>64,547</u>	<u>9,637</u>	<u>74,184</u>
<b>Deferred Inflow of Resources:</b>							
Deferred inflow - leases	2,373,512	108,914	-	2,482,426	-	-	-
Total deferred inflow of resources	<u>2,373,512</u>	<u>108,914</u>	<u>-</u>	<u>2,482,426</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET POSITION:</b>							
Net investment in capital assets	324,279	-	-	324,279	-	-	-
Shareholder's equity	-	-	-	-	250,000	25,000	275,000
Restricted	674,775	-	-	674,775	-	-	-
Unrestricted	9,256,903	4,019,638	(2,562,240)	10,714,301	(175,971)	(5,474)	(181,445)
Total net position	<u>\$ 10,255,957</u>	<u>\$ 4,019,638</u>	<u>\$ (2,562,240)</u>	<u>\$ 11,713,355</u>	<u>\$ 74,029</u>	<u>\$ 19,526</u>	<u>\$ 93,555</u>

draft

GENESEE GATEWAY LOCAL DEVELOPMENT CORPORATION

SUPPLEMENTARY INFORMATION  
CONSOLIDATING STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
YEAR ENDED DECEMBER 31, 2023

draft

	Primary Government				Component Units		
	Genesee Gateway Local Development Corporation	Genesee Agri- Business LLC	Eliminations	Total	STAMP Sewer Works, Inc.	STAMP Water Works, Inc.	Total
<b>OPERATING REVENUES:</b>							
Fees	\$ 4,750	\$ 10,558	\$ -	\$ 15,308	\$ -	\$ 500	\$ 500
Grant income	1,617,660	-	-	1,617,660	-	-	-
Interest income on loans	36,316	-	-	36,316	-	-	-
Interest income on leases	103,292	1,786	-	105,078	-	-	-
Lease revenue	540,728	13,445	-	554,173	-	-	-
Rental income	136,961	-	-	136,961	-	-	-
Other income	914	20,001	-	20,915	-	1,906	1,906
Total operating revenues	<u>2,440,621</u>	<u>45,790</u>	<u>-</u>	<u>2,486,411</u>	<u>-</u>	<u>2,406</u>	<u>2,406</u>
<b>OPERATING EXPENSES:</b>							
Brokerage fees	461	-	-	461	-	-	-
Depreciation	194,101	-	-	194,101	-	-	-
Fees and permits	353	25	-	378	101	101	202
Grant expense	979,703	-	-	979,703	-	-	-
Insurance	59,944	-	-	59,944	-	-	-
Miscellaneous	25,595	-	-	25,595	-	-	-
Professional fees	156,272	-	-	156,272	177,912	6,100	184,012
Site maintenance	88,703	-	-	88,703	-	-	-
Source of supply	-	-	-	-	-	2,112	2,112
Special district fees	10,496	4,575	-	15,071	-	-	-
Supplies	779	-	-	779	-	-	-
Utilities	17,434	-	-	17,434	-	-	-
Total operating expenses	<u>1,533,841</u>	<u>4,600</u>	<u>-</u>	<u>1,538,441</u>	<u>178,013</u>	<u>8,313</u>	<u>186,326</u>
Operating income (loss)	<u>906,780</u>	<u>41,190</u>	<u>-</u>	<u>947,970</u>	<u>(178,013)</u>	<u>(5,907)</u>	<u>(183,920)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>							
Interest expense	(152,021)	-	-	(152,021)	-	-	-
Other interest income	93,878	80,061	-	173,939	2,042	433	2,475
Total nonoperating revenues (expenses)	<u>(58,143)</u>	<u>80,061</u>	<u>-</u>	<u>21,918</u>	<u>2,042</u>	<u>433</u>	<u>2,475</u>
Change in net position	848,637	121,251	-	969,888	(175,971)	(5,474)	(181,445)
Net position - beginning	9,407,320	3,898,387	(2,562,240)	10,743,467	-	-	-
Add: Equity contribution	-	-	-	-	250,000	25,000	275,000
Net position - ending	<u>\$ 10,255,957</u>	<u>\$ 4,019,638</u>	<u>\$ (2,562,240)</u>	<u>\$ 11,713,355</u>	<u>\$ 74,029</u>	<u>\$ 19,526</u>	<u>\$ 93,555</u>

GENESEE GATEWAY LOCAL DEVELOPMENT CORPORATION

SUPPLEMENTARY INFORMATION  
COMBINING STATEMENT OF NET POSITION  
DECEMBER 31, 2023

draft

	Operating Fund	Gateway II Fund	Buffalo East Fund	Ag Park Fund	Med Tech Park Fund	WNY STAMP Fund	Med Tech Centre Fund	Economic Development Loan Fund	Batavia Micropolitan Area Redevelopment Loan Fund	Total
<b>ASSETS:</b>										
<b>Current assets:</b>										
Cash and cash equivalents	\$ 546,703	\$ -	\$ 484,129	\$ -	\$ -	\$ 788,284	\$ 996,039	\$ 516,515	\$ 293,058	\$ 3,624,728
Accounts receivable	-	-	-	2,200	-	-	9,120	-	-	11,320
Interest receivable	662	-	331	-	-	993	441	1,191	221	3,839
Prepaid items	3,335	-	-	-	-	-	-	-	-	3,335
Due from (to) other funds	-	-	-	71,748	-	(71,748)	-	-	-	-
Lease receivable - current portion	-	-	-	-	6,876	-	516,077	-	-	522,953
Loans receivable - current portion	504,033	-	-	-	-	-	-	46,075	30,971	581,079
Total current assets	1,054,733	-	484,460	73,948	6,876	717,529	1,521,677	563,781	324,250	4,747,254
<b>Noncurrent assets:</b>										
Lease receivable - noncurrent portion	-	-	-	-	269,755	-	1,660,635	-	-	1,930,390
Loans receivable - noncurrent portion (net of \$170,238 allowance for bad debts)	270,162	-	-	-	-	-	-	270,825	236,156	777,143
Land held for development and sale	-	185,010	1,297,077	4,150	214,166	161,281	320,550	-	-	2,182,234
Capital assets, net:										
Furniture and equipment	-	-	-	3,742	-	-	42,857	-	-	46,599
Buildings and improvements	-	-	-	-	-	-	7,248,620	-	-	7,248,620
Less: accumulated depreciation	-	-	-	(2,673)	-	-	(2,539,591)	-	-	(2,542,264)
Total capital assets, net	-	-	-	1,069	-	-	4,751,886	-	-	4,752,955
Equity investment in GAB, LLC	-	-	-	2,562,240	-	-	-	-	-	2,562,240
Equity investment in STAMP Sewer, Inc.	-	-	-	-	-	250,000	-	-	-	250,000
Equity investment in STAMP Water, Inc.	-	-	-	-	-	25,000	-	-	-	25,000
Total noncurrent assets	270,162	185,010	1,297,077	2,567,459	483,921	436,281	6,733,071	270,825	236,156	12,479,962
Total assets	1,324,895	185,010	1,781,537	2,641,407	490,797	1,153,810	8,254,748	834,606	560,406	17,227,216
<b>LIABILITIES:</b>										
<b>Current liabilities:</b>										
Accounts payable	5,886	-	-	-	-	-	52,741	-	-	58,627
Security deposits payable	-	-	-	-	-	-	109,944	-	-	109,944
Unearned revenue	46	-	-	-	-	-	-	454	-	500
Bond payable - current portion	-	-	-	-	-	-	156,909	-	-	156,909
Loan payable - current portion	-	-	-	-	-	-	90,041	-	-	90,041
Total current liabilities	5,932	-	-	-	-	-	409,635	454	-	416,021
<b>Noncurrent Liabilities</b>										
Bond payable - noncurrent portion	-	-	-	-	-	-	2,179,828	-	-	2,179,828
Loan payable - noncurrent portion	-	-	-	-	-	-	2,001,898	-	-	2,001,898
Total noncurrent liabilities	-	-	-	-	-	-	4,181,726	-	-	4,181,726
Total liabilities	5,932	-	-	-	-	-	4,591,361	454	-	4,597,747
<b>Deferred Inflow of Resources:</b>										
Deferred inflow - leases	-	-	-	-	276,631	-	2,096,881	-	-	2,373,512
Total deferred inflow of resources	-	-	-	-	276,631	-	2,096,881	-	-	2,373,512
<b>NET POSITION:</b>										
Net investment in capital assets	-	-	-	1,069	-	-	323,210	-	-	324,279
Restricted	-	-	484,129	-	-	-	190,646	-	-	674,775
Unrestricted	1,318,963	185,010	1,297,408	2,640,338	214,166	1,153,810	1,052,650	834,152	560,406	9,256,903
Total net position	\$ 1,318,963	\$ 185,010	\$ 1,781,537	\$ 2,641,407	\$ 214,166	\$ 1,153,810	\$ 1,566,506	\$ 834,152	\$ 560,406	\$ 10,255,957

GENESEE GATEWAY LOCAL DEVELOPMENT CORPORATION

SUPPLEMENTARY INFORMATION  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 YEAR ENDED DECEMBER 31, 2023

draft

	Operating Fund	Gateway II Fund	Buffalo East Fund	Ag Park Fund	Med Tech Park Fund	WNY STAMP Fund	Med Tech Centre Fund	Economic Development Loan Fund	Batavia Micropolitan Area Redevelopment Loan Fund	Total
<b>OPERATING REVENUES:</b>										
Fees	\$ 4,250	\$ -	\$ 500	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,750
Grant income	624,432	-	93,000	-	-	900,228	-	-	-	1,617,660
Interest income on loans	1,049	-	-	-	-	-	-	24,363	10,904	36,316
Interest income on leases	-	-	-	-	5,804	-	-	-	-	103,292
Lease revenue	-	-	-	-	6,497	-	534,231	-	-	540,728
Rental income	-	806	-	2,200	-	-	133,955	-	-	136,961
Other income	10	-	-	-	-	-	904	-	-	914
Total operating revenues	<u>629,741</u>	<u>806</u>	<u>93,500</u>	<u>2,200</u>	<u>12,301</u>	<u>900,228</u>	<u>766,578</u>	<u>24,363</u>	<u>10,904</u>	<u>2,440,621</u>
<b>OPERATING EXPENSES:</b>										
Brokerage fees	-	-	-	-	-	-	461	-	-	461
Depreciation	-	-	-	535	-	-	193,566	-	-	194,101
Fees and permits	-	-	-	353	-	-	-	-	-	353
Grant expense	979,703	-	-	-	-	-	-	-	-	979,703
Insurance	34,880	549	1,037	1,541	-	29	21,908	-	-	59,944
Miscellaneous	25,595	-	-	-	-	-	-	-	-	25,595
Professional fees	65,066	-	-	-	-	-	91,206	-	-	156,272
Site maintenance	-	-	2,500	6,602	4,047	-	75,554	-	-	88,703
Special district fees	-	218	507	-	2,524	427	6,820	-	-	10,496
Supplies	-	-	-	-	-	-	779	-	-	779
Utilities	-	-	-	-	-	-	17,434	-	-	17,434
Total operating expenses	<u>1,105,244</u>	<u>767</u>	<u>4,044</u>	<u>9,031</u>	<u>6,571</u>	<u>456</u>	<u>407,728</u>	<u>-</u>	<u>-</u>	<u>1,533,841</u>
Operating income (loss)	(475,503)	39	89,456	(6,831)	5,730	899,772	358,850	24,363	10,904	906,780
<b>NONOPERATING REVENUES (EXPENSES):</b>										
Interfund revenues	12,588	768	4,044	8,497	6,572	140,456	-	-	-	172,925
Interfund expenses	(160,337)	(807)	(500)	-	(11,281)	-	-	-	-	(172,925)
Interest expense	-	-	-	-	-	-	(152,021)	-	-	(152,021)
Other interest income	18,196	-	10,274	-	-	24,049	21,234	12,406	7,719	93,878
Total nonoperating revenues (expenses)	<u>(129,553)</u>	<u>(39)</u>	<u>13,818</u>	<u>8,497</u>	<u>(4,709)</u>	<u>164,505</u>	<u>(130,787)</u>	<u>12,406</u>	<u>7,719</u>	<u>(58,143)</u>
Change in net position	(605,056)	-	103,274	1,666	1,021	1,064,277	228,063	36,769	18,623	848,637
Net position - beginning	<u>1,924,019</u>	<u>185,010</u>	<u>1,678,263</u>	<u>2,639,741</u>	<u>213,145</u>	<u>89,533</u>	<u>1,338,443</u>	<u>797,383</u>	<u>541,783</u>	<u>9,407,320</u>
Net position - ending	<u>\$ 1,318,963</u>	<u>\$ 185,010</u>	<u>\$ 1,781,537</u>	<u>\$ 2,641,407</u>	<u>\$ 214,166</u>	<u>\$ 1,153,810</u>	<u>\$ 1,566,506</u>	<u>\$ 834,152</u>	<u>\$ 560,406</u>	<u>\$ 10,255,957</u>



**INTERNAL CONTROL AND COMPLIANCE**

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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 Gateway Local Development 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 consolidated financial statements of Genesee Gateway Local Development Corporation ("GGLDC"), its wholly owned subsidiary, Genesee Agri-Business, LLC ("GAB, LLC") and their discretely presented component units, Stamp Sewer Works, Inc. and Stamp Water Works, Inc. as of and for the year ended December 31, 2023, and the related notes to the consolidated financial statements, which collectively comprise GGLDC's basic financial statements, and have issued our report thereon dated March , 2024.

**Report on Internal Control over Financial Reporting**

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

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether GGLDC's consolidated 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 GGLDC's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Mistert, Manzanero & Scott, LLP

Oneonta, New York  
March , 2024

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

To the Board of Directors  
Genesee Gateway Local Development Corporation  
Batavia, New York

We have examined the Genesee Gateway Local Development Corporation's (GGLDC) 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, 2023. Management of GGLDC is responsible for the GGLDC's compliance with the specified requirements. Our responsibility is to express an opinion on GGLDC'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 GGLDC complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether GGLDC 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 GGLDC's compliance with specified requirements.

In our opinion, GGLDC complied, in all material respects, with the aforementioned requirements for the year ended December 31, 2023.

This report is intended solely for the information and use of the Board of Directors, management and others within GGLDC 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 , 2024

MEMBERS: American Institute of Certified Public Accountants, New York State Society of Certified Public Accountants

National Conference of CPA Practitioners