



Meeting Agenda – Audit and Finance Committee

Genesee County Economic Development Center

Wednesday, July 6, 2022 – 11:00 a.m.

Location: 99 MedTech Drive, Innovation Zone

Page #	Topic	Discussion Leader	Desired Outcome
	1. Call To Order – Enter Public Session	P. Zelif	
2-5	2. Chairman’s Report & Activities 2a. Agenda Additions / Other Business 2b. Minutes: May 31, 2022	P. Zelif	Vote
6-9	3. Discussions / Official Recommendations to the Board: 3a. May 2022 Financial Statements	L. Farrell	Disc / Vote
10-16	3b. Assessment of the Effectiveness of Internal Controls	L. Farrell	Disc / Vote
17-21	3c. Indemnity Agreement & Logging Contract for LeRoy Food & Tech Park	M. Masse	Disc / Vote
22	3d. Key Bank Line of Credit Renewal	M. Masse / L. Farrell	Disc / Vote
23	3e. Semicon West	J. Krencik	Disc / Vote
	4. Adjournment	P. Zelif	Vote



GCEDC Audit & Finance Committee Meeting

Tuesday, May 31, 2022

Location: Electronically

8:30 a.m.

MINUTES

ATTENDANCE

Committee Members: M. Gray, P. Zelif, P. Battaglia, T. Bender
Staff: L. Farrell, L. Casey, M. Masse, J. Krencik, P. Kennett, S. Hyde, C. Suozzi
Guests: D. Cunningham (GGLDC Board Member), S. Ott (Lawley), B. Fritts (Lawley), R. Dejean (Lawley), C. Celis (Lawley), M. Zimmerman (Harrison Studios)
Absent:

1. CALL TO ORDER / ENTER PUBLIC SESSION

M. Gray called the meeting to order at 8:32 a.m. via conference call / video conference.

Governor Kathy Hochul signed legislation (S.50001 / A.40001) on September 2, 2021 extending virtual access to public meetings under NYS's Open Meetings Law, which allows virtual participation in local government meetings during the COVID-19 pandemic. This meeting is being held electronically via conference call / video conference instead of a public meeting open for the public to attend in person.

Presentation – Cyber Insurance – R. Dejean reviewed the 22-23 Cyber proposal by providing an overview of the coverage with Trisura Specialty Insurance Company, which is outlined on page 20 of the meeting materials.

S. Ott (Lawley), B. Fritts (Lawley), R. Dejean (Lawley), C. Celis (Lawley) left the meeting at 8:55 a.m.

1a. Enter Executive Session

T. Bender made a motion to enter executive session under the Public Officers Law, Article 7, Open Meetings Law Section 105, at 8:55 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.
2. 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.

The motion was seconded by P. Battaglia and approved by all members present.

M. Zimmerman left the meeting at 9:11 a.m.

1b. Enter Public Session

P. Battaglia made a motion to enter back into public session at 9:11 a.m., seconded by P. Zelif and approved by all members present.

2. Chairman’s Report & Activities

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

2b. Minutes: May 3, 2022

P. Zeliff made a motion to approve the May 3, 2022 minutes; the motion was seconded by P. Battaglia. Roll call resulted as follows:

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

The item was approved as presented.

3. DISCUSSIONS / OFFICIAL RECOMMENDATIONS OF THE COMMITTEE:

3a. April 2022 Financial Statements- L. Farrell reviewed with the Committee the significant items of the April 2022 long form financial statements.

- Restricted Cash in the \$8 Million and \$33 Million STAMP Imprest Accounts decreased. Unearned revenue decreased by about the same amount. The revenue is recognized as qualifying expenditures are made.
- In the operating fund, we received project origination fees from Gateway GS and Trousdale Solar I & Trousdale Solar II, totaling approximately \$194,000.
- Operating expenses that are over budget are related to expenditures that are front loaded (i.e. Unemployment Insurance, HSA contributions, Dues & Subscriptions).
- In the STAMP fund, there is \$2.5 million of grant revenue that was recognized, of which \$2.2 was recorded as site development expense.
- Other than the above-mentioned items, there is normal monthly activity on the income statements for all funds for April.

P. Zeliff made a motion to recommend to the full Board the approval of the April 2022 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 - Yes

The item was approved as presented.

3b. Audit & Finance Committee Charter- The Committee discussed the Charter in executive session during a Committee self-evaluation discussion. L. Farrell stated that there are no recommended changes at this time.

As there were no changes, a vote of approval was not necessary.

3c. Committee Self-Evaluation - A new memo will be drafted and provided to the Governance Committee as the Committee Self-Evaluation comes out of the Committee Charter Review.

3d. Cyber Insurance - M. Gray stated that there was a presentation given by Lawley on Cyber Insurance at the beginning of the meeting. Coverage is through Atbay written with Trisura, Atbay's new supporting writing company. The change to Trisura is a result of the everchanging Cyber market. It's a common practice to use additional writing companies to provide competitive products.

Atbay/Trisura offered a renewal quote of \$10,289.17 for the 22-23 term. Limits and retention are per expiring; however, the carrier did add a Biometric Information Violation Exclusion. This has been a common exclusion that carriers have added to Cyber policies going forward. If you do not collect or house biometric data and that is not part of your services, this should not affect coverage. The agency's information was sent to market, but no additional quote options were received for the renewal.

Terms may change depending on if the STAMP entities are included. The STAMP information has been provided to the carrier. Lawley is waiting to hear as to whether the entities should be included now or when they become active. An update will be provided as soon as one is received from the carrier.

The cost of this policy is \$10,289.17 and will be split evenly between the GCEDC (\$5,144.59) and GGLDC (\$5,144.58). The budget for each entity included \$4,200 for cyber insurance. This is about \$900 over budget for each entity.

P. Battaglia made a motion to recommend to the full Board the approval of the Cyber Insurance 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 - Yes

The item was approved as presented.

3e. Loewke Brill Agreement – La Fermiere At the October 1, 2019 meeting, the GCEDC staff presented a sample proposal from Loewke Brill Consulting Group, Inc. on how they could assist companies that will have to report to the GCEDC under the local labor reporting requirements, including assistance with waiver requests and finding local contractors to bid their projects

The GCEDC Staff had requested a quote for the costs related to a project in the Ag Park. A copy of the application for incentives was sent to Loewke Brill for them to calculate the fee. They submitted the following:

\$19,520 - 18 Inspections (\$325 per visit), 18 Monthly Reports (\$690 per month), 1 time set up fee (\$1,250)

The time was determined by what the project listed for the duration of construction in their application. GCEDC staff has the following recommendation which is consistent with prior approvals:

1. The GCEDC will pay for the set-up fee, monthly inspections and reporting, not to exceed the construction timeline in the application. If it runs over that the company should be responsible.
2. The company will pay for any waiver requests that get submitted and sent to the Board for consideration.

In addition to the above discussion, M. Masse provided an overview of the GCEDC Governance & Nominating meeting minutes from last year regarding a potential change to the existing local labor policy language. At the June 3, 2021 and July 1, 2021 meetings, the Governance & Nominating Committee discussed a change in policy that would **require** those companies that are subject to the local labor policy to hire an outside consultant to assist in reviewing any waiver requests that may be submitted. Ultimately, on July 1, 2021, the Committee decided that no changes would be made to the Local Labor Policy.

L. Farrell also stated that the project origination fees are used to pay for these local labor reporting services.

The Audit & Finance Committee requested that the Governance & Nominating Committee discuss this potential change to the local labor policy again at their next meeting.

T. Bender made a motion to recommend to the full Board the approval of the Loewke Brill Agreement for the La Fermiere project, excluding payment of waiver requests and not to exceed the time listed in the project application; the motion was seconded by P. Battaglia. Roll call resulted as follows:

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

The item was approved as presented.

4. ADJOURNMENT

As there was no further business, T. Bender made a motion to adjourn at 9:25 a.m., seconded by P. Zeliff and passed unanimously.

**Genesee County Economic Development Center
May 2022 Dashboard
Balance Sheet - Accrual Basis**

DRAFT

	<u>5/31/22</u>	<u>4/30/22</u>	<u>[Per Audit] 12/31/21</u>
ASSETS:			
Cash - Unrestricted	\$ 7,265,766	\$ 7,106,356	\$ 7,339,508
Cash - Restricted (A)(1)	8,605,411	8,598,188	11,674,315
Cash - Reserved (B)	793,293	793,195	792,739
Cash - Subtotal	16,664,470	16,497,739	19,806,562
Grants Receivable (2)	56,643	54,700	65,327
Accts Receivable- Current (3)	64,774	312,129	337,456
Deposits	2,832	2,832	2,832
Prepaid Expense(s) (4)	29,767	33,624	42,651
Loans Receivable - Current	55,600	55,554	52,489
Total Current Assets	16,874,086	16,956,578	20,307,317
Land Held for Dev. & Resale (5)	20,101,233	20,090,992	19,467,282
Furniture, Fixtures & Equipment	71,257	71,257	71,257
Total Property, Plant & Equip.	20,172,490	20,162,249	19,538,539
Less Accumulated Depreciation	(68,801)	(68,747)	(68,528)
Net Property, Plant & Equip.	20,103,689	20,093,502	19,470,011
Accts Receivable- Non-current	-	-	-
Loans Receivable- Non-current (Net of \$47,429 Allow. for Bad Debt)	171,867	176,679	195,885
Other Assets	171,867	176,679	195,885
TOTAL ASSETS	37,149,642	37,226,759	39,973,213
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Pension Outflows (10)	597,836	597,836	597,836
Deferred Outflows of Resources	597,836	597,836	597,836
LIABILITIES:			
Accounts Payable (6)	4,199	3,913	548,813
Loan Payable - Genesee County - Current (7)	305,000	305,000	295,000
Accrued Expenses	23,162	10,289	29,545
Unearned Revenue (8)	8,409,634	8,409,637	10,993,355
Total Current Liabilities	8,741,995	8,728,839	11,866,713
Loans Payable - ESD (9)	5,196,487	5,196,487	5,196,487
Loan Payable - Genesee County - Noncurrent (7)	2,825,000	2,825,000	3,130,000
Aggregate Net Pension Liability (10)	2,612	2,612	2,612
Total Noncurrent Liabilities	8,024,099	8,024,099	8,329,099
TOTAL LIABILITIES	16,766,094	16,752,938	20,195,812
DEFERRED INFLOWS OF RESOURCES			
Deferred Pension Inflows (10)	791,742	791,742	791,742
Deferred Inflows of Resources	791,742	791,742	791,742
NET ASSETS	\$ 20,189,642	\$ 20,279,915	\$ 19,583,495

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. Also included are funds received from the County per a Water Supply Agreement, to be 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. These funds are being used to pay for qualifying expenditures.
2. Grants Receivable - National Grid grants support marketing and development activities for STAMP and the LeRoy Food & Tech Park.
3. Accounts Receivable (Current) - Econ. Dev. Program Support Grant; MedTech Centre Property Management (Annual HP Hood payments of \$279.6K have been paid in full).
4. Prepaid Expense(s) - Cyber, Health, General Liability, D&O, Life, long-term and short-term disability insurance.
5. Land Held for Dev. & Resale - Additions are related to STAMP development costs.
6. Accounts Payable - e3communications expenses 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. Deferred Pension Outflows / Aggregate Net Pension Liability / Deferred Pension Inflows - Accounts related to implementation of GASB 68.

(A) Restricted Cash = Municipal Funds, RLF #2 Funds, Grant Funds Received in Advance.

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

**Genesee County Economic Development Center
May 2022 Dashboard
Profit & Loss - Accrual Basis**

	Month to Date		YTD		2022	2022
	5/31/22	5/31/21	2022	2021	Board Approved Budget	YTD % of Budget
<u>Operating Revenues:</u>						
Genesee County	\$ 17,376	\$ 19,459	\$ 95,213	\$ 97,296	\$ 233,513	41%
Genesee County - WFD	2,084	-	10,417	-	-	N/A
Fees - Projects	22,250	250	302,718	21,750	411,500	74%
Fees - Services	7,099	6,961	35,496	34,806	85,192	42%
Interest Income on Loans	235	282	1,214	1,449	2,744	44%
Rent	7,643	2,206	7,643	5,646	21,071	36%
Common Area Fees - Parks	-	-	373	355	360	104%
Grants (1)	1,943	1,000	3,083,229	823,530	8,891,710	35%
GGLDC Grant- Econ. Dev. Program Support	25,000	25,000	125,000	125,000	300,000	42%
BP ² Revenue	-	-	3,532	701	27,454	13%
Other Revenue	233	674	557	1,752	5,000	11%
Total Operating Revenues	83,863	55,832	3,665,392	1,112,285	9,978,544	37%
<u>Operating Expenses:</u>						
General & Admin	167,179	123,124	617,019	511,244	1,506,112	41%
Professional Services	7,510	3,500	35,507	22,002	108,500	33%
Site Maintenance/Repairs	447	852	2,236	2,255	39,500	6%
Property Taxes/Special District Fees (2)	-	-	3,518	4,597	2,690	131%
PIF Expense	-	-	43,296	35,042	143,157	30%
Site Development Expense	-	-	2,362,765	319,377	2,362,875	100%
Real Estate Development (3)	10,241	5,485	633,951	297,319	6,090,625	10%
Balance Sheet Absorption	(10,241)	(5,485)	(633,951)	(297,319)	-	N/A
Total Operating Expenses	175,136	127,476	3,064,341	894,517	10,253,459	30%
Operating Revenue (Expense)	(91,273)	(71,644)	601,051	217,768	(274,915)	
<u>Non-Operating Revenue (Expense)</u>						
Other Interest Income	1,000	841	5,096	4,069	5,500	93%
Total Non-Operating Revenue (Expense)	1,000	841	5,096	4,069	5,500	93%
Change in Net Assets	(90,273)	(70,803)	606,147	221,837	\$ (269,415)	
Net Assets - Beginning	20,279,915	12,168,395	19,583,495	11,875,755		
Net Assets - Ending	\$ 20,189,642	\$ 12,097,592	\$ 20,189,642	\$ 12,097,592		

Significant Events:

1. Grants - \$448K Community Benefit Agreement payment dedicated to STAMP by sourcing debt service payments to the County; 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; National Grid grant supports marketing and development activities for STAMP; ESD \$33M & \$8M Grants support STAMP engineering, environmental, legal, infrastructure, etc.
2. Property Taxes/Special District Fees - Full taxes were paid on a property purchased after the taxable status date in 2021; tax rates were higher than budgeted for property located in Leroy.
3. Real Estate Development Costs - Includes STAMP development costs.

**Genesee County Economic Development Center
May 2022 Dashboard
Statement of Cash Flows**

DRAFT

	May 2022	YTD
CASH FLOWS PROVIDED (USED) BY OPERATING ACTIVITIES:		
Genesee County	\$ 19,460	\$ 127,173
Fees - Projects	301,900	619,118
Fees - Services	-	21,298
Interest Income on Loans	232	1,037
Rent	9,223	10,052
Common Area Fees - Parks	-	373
Grants	-	506,326
BP ² Revenue	-	3,532
GGLDC Grant - Economic Development Program Support	-	75,000
Other Revenue	233	557
Repayment of Loans	4,766	20,907
General & Admin Expense	(151,984)	(629,702)
Professional Services	(7,510)	(46,324)
Site Maintenance/Repairs	(447)	(2,236)
Site Development	-	(2,501,690)
Property Taxes/Special District Fees	-	(3,518)
PIF Expense	-	(43,296)
Improv/Additions/Adj to Land Held for Development & Resale	(10,241)	(1,010,591)
Net Cash Provided (Used) By Operating Activities	165,632	(2,851,984)
CASH FLOWS USED BY NONCAPITAL FINANCING ACTIVITIES:		
Principal Payments on Loan	-	(295,000)
Net Cash Used By Noncapital Financing Activities	-	(295,000)
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES:		
Interest Income (Net of Remittance to ESD)	1,099	4,892
Net Change in Cash	166,731	(3,142,092)
Cash - Beginning of Period	16,497,739	19,806,562
Cash - End of Period	\$ 16,664,470	\$ 16,664,470
RECONCILIATION OF NET OPERATING REVENUE TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Revenue (Expense)	\$ (91,273)	\$ 601,051
Depreciation Expense	54	273
Decrease in Operating Accounts/Grants Receivable	245,412	281,366
Decrease in Prepaid Expenses	3,857	12,884
Decrease in Loans Receivable	4,766	20,907
Increase in Land Held for Development & Resale	(10,241)	(633,951)
Increase (Decrease) in Operating Accounts Payable	187	(544,410)
Increase (Decrease) in Accrued Expenses	12,873	(6,383)
Decrease in Unearned Revenue	(3)	(2,583,721)
Total Adjustments	256,905	(3,453,035)
Net Cash Provided (Used) By Operating Activities	\$ 165,632	\$ (2,851,984)



2022 Assessment of the Effectiveness of Internal Controls

Purpose of the Genesee County Industrial Development Agency D/B/A Genesee County Economic Development Center (GCEDC)

The GCEDC is a public benefit corporation of the State of New York created in 1970 by a resolution of the Genesee County Legislature to facilitate economic development in the County of Genesee, New York.

Internal Controls

The accounting, financial reporting, and cash management functions are carried out relying on a multitude of internal controls. A Financial Procedures document details all aspects of the financial controls in place.

Examples of some of the controls used are listed below:

- Payroll for the GCEDC's employees is processed externally by a payroll processing company, Complete Payroll Processing, Inc. (CPP). The Operations Manager and/or CFO verify that payments are only made to employees that are entitled to be paid. – **Low risk.**
- All invoices must be reviewed and verified by the CFO, CEO or Sr. VP of Operations. All checks require two signatures, with one of the signatures being a board member. The CEO and the Sr. VP of Operations are the only two employees authorized to sign checks. The CFO opens and reviews all bank statements and bank reconciliations. – **Multiple persons signing off on the process and the CFO opens and reviews bank statements and does not have authorization to sign checks.**
- All checks received by the GCEDC are recorded and stamped “for deposit only” by the Operations Assistant or Finance Assistant and given to the Operations Manager for review. The Operations Manager ensures that all funds are coded correctly, and that each transaction is recorded in Peachtree (accounting software). Deposit slips are then prepared by the Finance Assistant and deposited in the bank. The deposit receipt from the bank is then attached to the appropriate back up for the deposit. – **Bank verification and receipts make this low risk.**
- Computers are password protected. Accounting software is separately password protected. Access to the accounting software is limited to the Operations Manager, Finance Assistant and CFO. – **Password protection and limited access to accounting software makes this low risk.**

Note: Internal controls are reviewed continuously, and adjustments are made as necessary.

The system of controls applicable to the GCEDC was last reviewed by the GCEDC's Audit Committee on July 6, 2022. The Audit Committee's review affirmed that there are no material control weaknesses to be reported. The GCEDC undergoes an annual financial audit by an independent CPA firm. While auditors are not engaged to perform an audit of internal controls, auditors do provide management letter comments when they encounter internal weaknesses. No material weaknesses or recommendations for improvement have been identified by the independent auditors.

In summary, the present internal control structure appears to be sufficient to meet internal control objectives that pertain to the prevention and detection of errors and irregularities.

**Client Name: Genesee County Industrial Development Agency
dba Genesee County Economic Development Center
Genesee Gateway Local Development Corporation**

GGLDC administrative tasks are performed by GCEDC employees

Audit & Finance Committee Last Reviewed: 7/6/22

CASH CONTROL ACTIVITIES

Cash Receipts

The GCEDC/GGLDC does not routinely handle cash. When cash is received, it's generally once a year at the annual meeting location via registration fees paid. Mail is opened by the Operations Assistant. All receipts are immediately marked "for deposit only". The cash receipts are deposited every 3 – 5 days in the appropriate cash account either in Five Star Bank, Key Bank, or The Bank of Castile. Some receipts are received directly into bank accounts via ACH/wire transfer. Posting of cash receipts to accounts receivable is done by the Finance Assistant. The postings are done promptly and accurately recorded as to customer account, amount and period. The Operations Manager reviews deposits and postings to customer accounts and general ledger accounts. Any adjustments to cash accounts are approved by the CFO. Cash held on site is stored in a locked file cabinet and kept independent of mail receipts. A PayPal account is used for annual meeting registration fees paid. Email notifications are received when payments have been made. PayPal deposits are recorded in the general ledger weekly by the Finance Assistant and the Operations Manager reviews the monthly activity.

Cash Disbursements

Cash disbursements are made by check, online payments, online bill pay or bank wire, except for small amounts from petty cash. Online payments and online bill pay are only made to ensure that bills are paid on time and to prevent late payment charges.

All checks require two signatures. GCEDC checks must be co-signed by at least one board member. GGLDC checks are signed by two board members. The GCEDC and GGLDC Audit & Finance Committee members are authorized bank signers.

All GCEDC line of credit withdrawals must be co-signed by at least one board member. GGLDC line of credit withdrawals must be signed by two board members.

Checks are pre-numbered and the sequence is accounted for regularly. All blank checks are kept in a secure location. All cash disbursement records are matched against accounts payable/open invoice files by the Operations Manager.

Invoices received are date stamped by the Operations Assistant and given to the Finance Assistant for review, tracking against contracts in place, to make sure supporting documentation is attached, and to ensure that the appropriate person signs off for approval of payment. All invoices are then reviewed by the Operations Manager and the CFO prior to disbursement checks being prepared. Checks are prepared by the Finance Assistant, only after proper matching of supporting documentation. Supporting documentation is marked with the check number when a check is prepared. The check signer reviews all supporting documentation. Purchasing documents are accounted for and controlled by the Operations Manager. Signed disbursement checks are returned to the Finance Assistant / Operations Assistant for mailing. *Mitigating controls: The CFO opens and reviews bank statements and does not have authorization to sign checks.*

All bank and interfund transfers are authorized by the CFO and the Sr. VP of Operations.

Electronic/Online Payments

Online bill pay can be used for payments to vendors that are on the Audit & Finance Committee pre-approved list. The same cash disbursement control procedures are followed, except that payments are acknowledged by two authorized bank signers after the online payment is complete.

Bank Account Reconciliations

Bank accounts are reconciled monthly by the Finance Assistant and reconciliations are reviewed by the Operations Manager and the CFO. All reconciling items are appropriate and supported. All bank statements received in the mail are delivered unopened to the CFO who opens, reviews and signs off prior to reconciliations being performed.

Journal entries

Non-standard journal entries are recorded in the general ledger by Operations Manager and the Finance Assistant and reviewed by the CFO.

SUPPORT, PROGRAM SERVICE FEES, REVENUE AND RECEIVABLE CONTROL ACTIVITIES

Program Service Receivables

Invoices are prepared once a month by the Finance Assistant. All invoices are numbered and issued in sequential order. Invoices are posted to the accounting system as payment is received. The individual(s) charged with the billing duties is also responsible for accounts receivable with the Operations Manager monitoring and reviewing the process.

Pledges Receivable (Not Applicable)

Collections

There are no established credit policies.

When cash payments are received they are posted to customer accounts by the Finance Assistant. The GCEDC/GGLDC does not prepare regular customer statements. Invoices for rent and revolving loan fund payments are mailed once a month and outstanding invoices older than 30 days are followed up via telephone by the **Operations Manager**, Senior VP of Operations, or CFO.

Trial Balance

The accounts receivable aging is maintained separately from the general ledger. The aging is reconciled once a month by the Operations Manager. Program revenues recorded are compared with the budget monthly by the Operations Manager and any significant deviations from budget are investigated and explained.

Allowance for Doubtful Accounts Program Services fee write-offs:

All write-offs to rent or revolving loan fund accounts are approved by the GCEDC/GGLDC Board of Directors. The accounts receivable aging is reviewed monthly by the Operations Manager. Accounts are deemed possibly uncollectible and written off to the allowance for doubtful accounts when they meet the following criteria: When the board of directors determines that all efforts to collect have been exhausted.

INVESTMENTS AND DERIVATIVE CONTROL ACTIVITIES

The GCEDC and GGLDC's Investment Policies are provided separately.

EXPENSES FOR PROGRAM AND SUPPORTING SERVICES AND ACCOUNTS PAYABLE AND PURCHASES CONTROL ACTIVITIES

Purchasing (Other than Inventory)

Purchasing is done by the Operations Assistant. For all purchases (other than items of inventory), the purchases are supported by approvals and authorizations. The GCEDC/GGLDC does not require pre-numbered purchase orders. Individuals with the right to approve and authorize purchases are the President/CEO, CFO, and Senior VP of Operations. The Operations Manager approves purchases of supplies, equipment and postage that are within budget as well as any other purchases that were planned for within the budget.

Receiving, Recording Payable and Expense

When the ordered items are received they are inspected for condition and counted by the Operations Assistant. Due to the small nature of the organization, full segregation of duties is not possible. The individual responsible for receiving is also responsible for purchasing, with oversight by Operations Manager or Finance Assistant.

The invoices subsequently received from vendors are matched up to the purchase orders and receiving reports and compared for quantities received, product ordered, pricing and clerical accuracy by the Operations Manager. For any goods that are returned, the shipping documents are maintained and reviewed and matched to vendor credit memos.

The payables are paid approximately twice a month by the Finance Assistant. The checks are reviewed and signed by two authorized bank account signers.

Trial Balance

The accounts payable aging is maintained separately from the general ledger. The aging is reconciled monthly by the Operations Manager. The GCEDC/GGLDC does not prepare monthly vendor statements. The President/CEO, CFO and the Audit & Finance Committee review the detailed monthly financial statements and compare the balances in expense accounts to budgeted amounts and any significant deviations from expectations are investigated and explained.

GCEDC PAYROLL AND EMPLOYEE BENEFITS CONTROL ACTIVITIES

Payroll

Employees are paid biweekly out of the Five Star Bank primary checking account. Funds are transferred into the account used for payroll from the Five Star Bank primary savings account by the Operations Manager. The GCEDC transfers funds to cover payroll as needed. All fund transfers are authorized by the CFO and Senior VP of Operations. Employees are never paid in cash.

Salaried employees are not required to submit weekly time records however; a record of absence is to be maintained by each employee, kept current and electronically stored in a common location as directed. Employees must have vacation compensation approved by the President/CEO or CFO. The individuals responsible for approving time are not responsible for processing or recording payroll.

Hourly employees are required to submit bi-weekly time records to their supervisor to report hours worked.

Complete Payroll Processing is the service provider used to process payroll. All the payroll information provided to the service organization such as pay rates and withholdings is authorized by the President/CEO and/or CFO. Bi-weekly payroll information is submitted to Complete Payroll Processing by the Operations Manager after compiling adequate support for the time worked by the employees. The registers produced by the service are reviewed after processing and approved by Operations Manager. The review is done to ensure the payroll transactions are only for authorized employees and that the correct pay rate is used. GCEDC does not pay commission to its employees.

All payroll checks are pre-numbered and used in sequence and any unissued checks are controlled by Complete Payroll Processing.

When new employees are hired they complete the appropriate paperwork including withholding forms and authorizations for payroll deductions that are maintained in personnel files by the Operations Manager and are entered into the payroll system by the Operations Manager. When employees are terminated they are removed from the payroll system by the Operations Manager. When there are raises or changes in pay rates, they are approved by the President/CEO or CFO and entered into the payroll system by the Operations Manager. All changes in personnel data are reported promptly so they can be properly taken care of in the payroll database.

The timely remittance of payroll taxes and of the payroll tax returns is overseen by Complete Payroll Processing.

Employee Benefits

For all benefits provided to employees such as health insurance, retirement plans, and fringe benefits, support is maintained in the personnel files authorizing deductions by the Operations Manager. Individuals with the appropriate level of knowledge are responsible for monitoring employee benefit matters and for ensuring withholdings such as 403(b) or NYS Deferred Compensation deferrals and cafeteria plan withholdings are remitted timely. These individuals include the CFO and Operations Manager.

Trial Balance

The Operations Manager reviews the monthly financial statements and compares the balances in the payroll and employee benefit expense accounts to budgeted amounts and any significant deviations from expectations are investigated and explained. The detailed payroll records are also reconciled by the Operations Manager to the payroll tax returns quarterly, and the total W-2s are reconciled to the general ledger at year end by the Operations Manager.

When necessary the appropriate payroll accruals including accruals for compensated absences are made to the general ledger by the Operations Manager.

Computers / IT

All computers are password protected. Peachtree is password protected. Each user has an independent password. Those with access to the Peachtree system are the Operations Manager, Finance Assistant, and CFO. The CFO does not post or change any data in the system; he/she reviews data only.

All employee computer files are backed up to the server and the server is backed up to an off-site location (Erie County IDA) on a nightly basis. The back-up is monitored by the IT Consultant and the Operations Manager.

GCEDC Employee Reimbursements

Employee reimbursement requests are submitted to and approved by the Senior VP of Operations and CFO. The President/CEO must sign off on requests submitted by the Senior VP of Operations or CFO. Two Board members must sign off on requests submitted by the President/CEO.

GCEDC Travel Authorization

Travel involving overnight accommodation or travel outside of New York State requires prior approval of the President & CEO (or the Chairman or Vice-Chairman of the Board, in the case of the CEO's travel).

Signed travel authorization forms are attached to subsequent reimbursement requests to verify that expenditures are appropriate and in line with the prior approval.

GCEDC / GGLDC

Pre-Approved List of Vendors That Can Be Paid Online:

- Tompkins Trust Company (Visa)
- Selective Insurance
- Toshiba Financial Services
- National Grid
- National Fuel
- ~~Level 3 Communications (Internet & Phone)~~
- ~~Verizon (Elevator security phone)~~
- Five Star Bank (Loan payments)
- KeyBank (Line of Credit payments)
- Bank of Castile
- Five Star Bank
- Quadient (Postage)
- Traveler's (D&O Insurance)
- ~~Town of Batavia (Water/Sewer)~~

List Last Reviewed & Approved by Audit & Finance Committee:

GCEDC - 7/6/2022

GGLDC - 7/6/2022

GCEDC
Audit & Finance Committee Meeting Report
July 6, 2022

Indemnity Agreement and logging contract for LeRoy Food & Technology Park

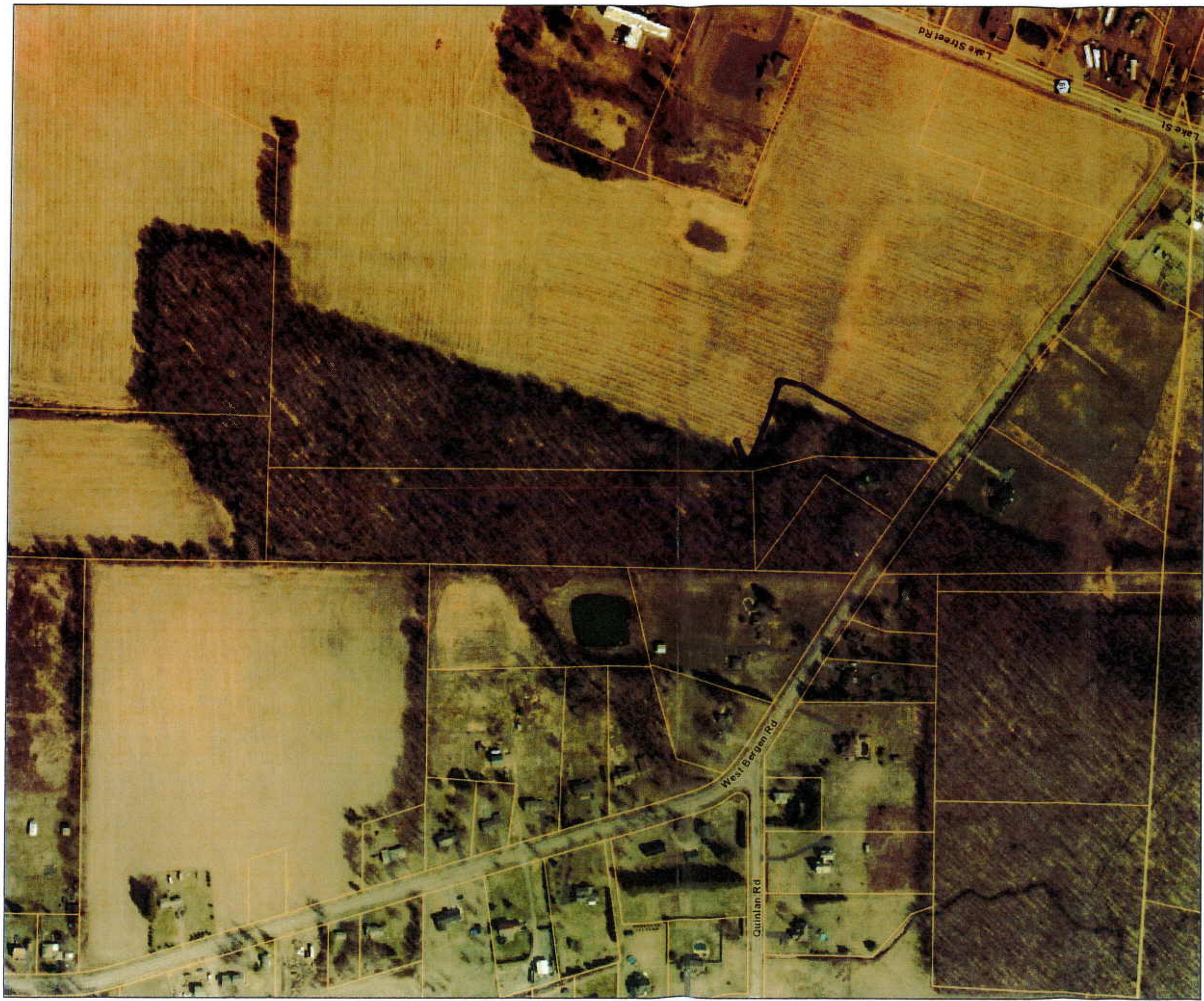
The GCEDC was approached by a logging company requesting permission to cross land that the GCEDC owns to access a parcel owned by a third party to do some logging. The logging company has already entered into an agreement to cover any damage to crops caused by their access road. The GCEDC then asked the logging company to provide an estimate of what they would pay the GCEDC to log some of the property that it owns. The purpose of this would be to help expand potential developable property at the site to allow for more development. The GCEDC has confirmed with its environmental firm, CC Environment and Planning, that the area is not wetland and can be developed. The GCEDC would leave some wooded areas along the property line to allow for screening from any potential projects that would locate at the site.

Fund Commitment: None.

Committee Action Request: Recommend to the full Board to move forward with a proposal from S & S Forest Products for logging and the indemnity agreement to allow S & S Forest Products access to the adjoining parcel for logging activities.



ArcGIS Web Map



6/27/2022, 2:57:32 PM

Year 2021 Aerial Photos (Scale Dependent)9in

Red: Band_1

Green: Band_2

Blue: Band_3

Year 2021 Aerial Photos (Scale Dependent)3in

Red: Band_1

Green: Band_2

Blue: Band_3

City & Villages (Large Scale)

Towns

Water (Large Scale)

2021 Tax Parcels

Streams (Large Scale)

Active Railroads (Large Scale)

Roads (Large Scale)

1:4,514

0 0.04 0.07 0.15 mi

0 0.05 0.1 0.2 km

Province of Ontario, Ontario MNR, Esri Canada, Esri, HERE, Garmin, GeoTechnologies, Inc., USGS, EPA, USDA

S&S Forest Products
8590 North Rd
Le Roy, NY 14482 US
5857942520
ssforestproducts@yahoo.com

Estimate

ADDRESS
GCEDC
99 MedTech Drive
Suite 106
Batavia, NY 14020

ESTIMATE # 1002
DATE 06/27/2022

SERVICE	DESCRIPTION	QTY	RATE	AMOUNT
Saw Timber	64 Hard maple 9752 Bdft	1	15,764.00	15,764.00
	8 Hickory 2357 Bdft			
	22 Walnut 4706 Bdft			
	43 Beech 4353 Bdft			
	4 Cherry 621 Bdft			
	2 Red Oak 480 Bdft			
	2 Ash 308 Bdft			
	6 Soft Maple 1227 Bdft			
23,804 Board Feet Total				
48 Cull/ Firewood Trees				
TOTAL				\$15,764.00

Accepted By

Accepted Date

3c

20

Indemnity Agreement

This agreement is made the day of in the year 2021,

Between the owner: Genesee County Industrial Development Agency d/b/a *Genesee County Economic Development Center*

And the individual:

The Owner and Individual agrees as set forth below,

Indemnification and Insurance

To the fullest extent permitted by law, the Individual shall defend, indemnify and hold harmless the Owner, and agents and employees of the them, from and against liabilities, claims, damages, losses and expenses, including but not limited to attorney's fees, arising out of, or resulting from performance of, the Individual's Work under this contract, except that nothing herein shall obligate Individual to indemnify Owner against their own negligence. Such obligation shall not be construed to negate, abridge or otherwise reduce other rights or obligations of indemnity, which may otherwise exist at law.

To the fullest extent permitted by law, the Individual agrees to indemnify and hold harmless Owner and their Agents and employees from and against all liabilities, claims, damages, losses, expenses, including but not limited to attorney fees, court awards, OSHA penalties, or any and all other awards and expenses arising out of or resulting from the performance, or failure to in performance or execution of proper and legal safety measures, of the Individual's work under this contract, except that nothing herein shall obligate Individual to indemnify Owner against their own negligence.

The Individual shall procure and maintain at its own expense and from insured acceptable to Owner, such insurance policies as will fully protect Individual and Owner from all claims for injuries or damages, including attorney fees, by whomever caused, arising out of the performance of the Contract Work whether before or after its completion. Individual shall maintain any insurance required by the GCEDC.

NO WORK MAY BE COMMENCED PRIOR TO RECEIPT OF A CERTIFICATE OF INSURANCE

Agreed to this day of , 2021

Owner:

Genesee County Industrial Development Agency d/b/a Genesee County Economic Development Center

Individual:

Renewal of Key Bank Line of Credit

Discussion: The GCEDC has a \$1MM demand line of credit. This was discussed in previous years and it eliminated the non-usage fee and ultimately afforded 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 are 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 the line is existing. 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.

Fund commitment: None.

Committee action request: The staff is recommending renewing the demand line of credit at the same terms.

GCEDC

Jim Krencik, Director of Marketing & Communications

Audit & Finance Meeting Report

July 6, 2022

New York Loves Nano

With the support of National Grid, the GCEDC is joining our partners in the New York Loves Nano delegation at the 2022 Semicon West semiconductor industry conference in San Francisco July 12-14. The GCEDC has participated in this conference annually and we have found it an effective sales and marketing activity in a key industry sector for STAMP.

The proposed funding process for the delegation's booth and reception has changed this year, with organizations like the GCEDC directly sponsoring the booth and reception. Previously, organizations funded a share of the gap between costs and received sponsorships.

For the 2022 Semicon West, we are proposing to sponsor the delegation as a Silver Sponsor (\$5,000), and with the combined support of Invest Buffalo Niagara and Greater Rochester Enterprise we will receive the benefits of a Gold Sponsor, including exhibitor hall badges and graphic displays on the booth's exterior and interior.

This project was anticipated in two budget lines in the 2022 Marketing Operations Budget totaling \$7,700. The proposed cost is contained within the Booth line item.

- Booth: \$5,200
- Reception: \$2,500

The GCEDC thanks National Grid for their support of this project.

Board Request: Approval of a \$5,000 sponsorship toward the New York Loves Nano Semicon West delegation booth and reception from the 2022 Marketing Operations Budget.