



**Meeting Agenda – Audit and Finance Committee**  
 Genesee County Economic Development Center  
 Tuesday, April 30, 2024 – 8:30 a.m.  
 Location: 99 MedTech Drive, Innovation Zone

Page #	Topic	Discussion Leader	Desired Outcome
	1. Call To Order – Enter Public Session	K. Manne	
	1a. Executive Session Motion to enter executive session under the Public Officers Law, Article 7, Open Meetings Law Section 105 for the following reasons: 1. The proposed acquisition, sale or lease of real property or the proposed acquisition of securities, or sale or exchange of securities held by such public body, but only when publicity would substantially affect the value thereof. 1b. Enter Public Session	K. Manne	
2-4	<b>2. Chairman’s Report &amp; Activities</b> 2a. Agenda Additions / Other Business 2b. Minutes: March 28, 2024	K. Manne	Vote
5-8	<b>3. Discussions / Official Recommendations to the Board:</b> 3a. 1 <sup>st</sup> Quarter Financial Statements	L. Farrell	Disc / Vote
9-11	3b. GAIN Loan Fund Application	M. Masse	Disc / Vote
12	3c. New York Loves Nano Semicon West Sponsorship	J. Krencik	Disc / Vote
13	3d. Mowing Contract for GCEDC Properties	M. Masses	Disc / Vote
	<b>4. Adjournment</b>	K. Manne	Vote



**GCEDC Audit & Finance Committee Meeting**

**Tuesday, March 28th, 2024**

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

**3:00 p.m.**

**MINUTES**

**ATTENDANCE**

Committee Members: P. Zeliff, M. Gray, K. Manne  
 Staff: L. Farrell, M. Masse, P. Kennett, C. Suozzi, S. Hyde, E. Finch, J. Krencik  
 Guests: J. Tretter (GGLDC Board Member), M. Brooks (GGLDC Board Member), D. Cunningham (GGLDC Board Member), Jason Waite (Mostert, Manzanero & Scott, LLP/ Video Conference)  
 Absent: P. Battaglia

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

K. Manne called the meeting to order at 3:00 p.m. in the Innovation Zone.

**1.a Enter Executive Session**

M. Gray made a motion to enter executive session under the Public Officers Law, Article 7, Open Meetings Law Section 105, at 3:00 p.m. for the following reasons:

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

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

**1b. Enter Public Session**

P. Zeliff made a motion to enter back into public session at 3:04 p.m., seconded by M. Gray and approved by all members present.

**2. Chairman's Report & Activities**

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

**2b. Minutes: March 5, 2024**

**P. Zeliff made a motion to approve the March 5, 2024, minutes; the motion was seconded by M. Gray. Roll call resulted as follows:**

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

2b

2

K. Manne - Yes

The item was approved as presented.

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

**3a. 12/31/23 Audit** – L. Farell stated that when the December 2023 Unaudited Financial Statements were presented, she noted that there would be some adjustments, which included GASB 68 related to NYS retirement, GASB 87 related to leases, additional payables and accrued interest related to the CDs.

Jason Waite of Mostert, Manzanero & Scott stated that no material weaknesses in internal controls were identified during the audit. It is their opinion that the audited financial statements present fairly, in all material respects, the financial position of the GCEDC as of December 31, 2023, in accordance with accounting principles generally accepted in the United States of America. J. Waite also noted 1) revenues increased significantly due to the Edwards Vacuum origination fee and land sale, 2) significant interest income due to increased interest rates and the investment in CDs, 3) expenses were down slightly, and 4) the allowance for doubtful accounts is adequate, possibly more than adequate.

J. Waite also reviewed the GGLDC 2023 Audit with the Committee at this time. Like the GCEDC, no material weaknesses in internal controls were identified during the audit. It is their opinion that the audited financial statements present fairly, in all material respects, the financial position of the GGLDC as of December 31, 2023. A Single Audit was not needed for the GGLDC this year. Audits were completed for the STAMP Water Works Corporation and the STAMP Sewer Works Corporation. These corporations are discretely presented component units on the GGLDC statements due to the GGLDC’s ultimate control over these entities. There were no findings or weaknesses.

**P. Zeliff made a motion to recommend to the full Board the approval of the 12/31/23 Audit as presented; the motion was seconded by M. Gray. Roll call resulted as follows:**

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

**3b. Mowing Bids** - The GCEDC asked five companies for bids to mow the properties we acquired at STAMP and the entrance sign to STAMP. The results of the bids are as follows based on 16 mows in the season:

1. Declined to bid – Bubba’s Landscaping.
2. \$6,160 – Craig’s Mowing and Landscaping
3. \$10,400 – S&S Excavating & Blacktop
4. \$11,200 – Fava Brothers Lawn Care
5. \$7,120 – Scalia’s Landscape

**Fund Commitment:** \$6,160. This expense will exceed the budget. There are properties that will need to be mowed that were not mowed in previous years.

**Board Action Request:** Approval of mowing contract for STAMP properties to Craig’s Mowing & Landscaping for \$6,160.

The company is in the process of confirming that their insurance will meet the Agency’s requirements.

2b

**P. Zelif** made a motion to recommend to the full Board the approval of the mowing contract to **Craig's Mowing & Landscaping** not to exceed \$6,160 as presented; the motion was seconded by **M. Gray**. Roll call resulted as follows:

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

**The item was approved as presented.**

**3c. Brush Hog and Mowing Contract for STAMP-** The GCEDC received a proposal for brush hogging and mowing an open area at the STAMP site for 2024. This property had been rented out for farming in previous years, however, the farmer did not farm it. This information was not communicated to the Agency. When we tried to rent this area to a different farm in 2023, he could not get his plow through it as it had overgrown so much. Once the brush hogging is complete, the farmer can plow and farm the area to keep it in order.

Following are the bids received:

1. Alleghany Construction - \$12,000
2. Spurline Construction - \$17,000
3. Craig's Mowing and Landscape - \$4,800
4. S&S Excavating & Blacktop - \$4,850
5. Scalia's Landscape - \$4,100
6. Fava Brothers - \$5,800

**Fund commitment:** \$4,100 from operational funds of STAMP. This expense, while unbudgeted, is anticipated for this year only.

**Board action request:** Approval of brush hogging and mowing contract for \$4,100 with Scalia's Landscape.

**M. Gray** made a motion to recommend to the full Board the approval of the **Brush Hog and Mowing Contract for STAMP with Scalia's Landscape** not to exceed \$4,100 as presented; the motion was seconded by **P. Zelif**. Roll call resulted as follows:

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

**The item was approved as presented.**

**4. ADJOURNMENT**

As there was no further business, **M. Gray** made a motion to adjourn at 3:26 p.m., seconded by **P. Zelif** and passed unanimously.

**Genesee County Economic Development Center  
Dashboard - For the Three Month Period Ended 3/31/24  
Balance Sheet - Accrual Basis**

	<u>3/31/24</u>	[Per Audit] <u>12/31/23</u>
<b>ASSETS:</b>		
Cash - Unrestricted (1)	\$ 5,446,019	\$ 10,846,767
Cash - Restricted (A)(2)	7,412,062	7,706,743
Cash - Reserved (B) (1)	5,270,858	672
Cash - Subtotal	<u>18,128,939</u>	<u>18,554,182</u>
Grants Receivable (3)	86,686	78,079
Accounts Receivable (4)	136,992	71,433
Interest Receivable	68,110	51,255
Deposits	2,832	2,832
Prepaid Expense(s) (5)	82,627	46,848
Loans Receivable - Current	54,586	55,005
<b>Total Current Assets</b>	<u><b>18,560,772</b></u>	<u><b>18,859,634</b></u>
Land Held for Dev. & Resale (6)	24,153,489	24,143,667
Furniture, Fixtures & Equipment	71,257	71,257
Total Property, Plant & Equip.	<u>24,224,746</u>	<u>24,214,924</u>
Less Accumulated Depreciation	(70,002)	(69,838)
<b>Net Property, Plant &amp; Equip.</b>	<u><b>24,154,744</b></u>	<u><b>24,145,086</b></u>
Loans Receivable- Non-current (Net of \$47,429 Allow. for Bad Debt)	67,588	81,163
Right to Use Assets, Net of Accumulated Amortization	32,431	32,431
<b>Other Assets</b>	<u><b>100,019</b></u>	<u><b>113,594</b></u>
<b>TOTAL ASSETS</b>	<u><b>42,815,535</b></u>	<u><b>43,118,314</b></u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Pension Outflows (11)	392,573	392,573
<b>Deferred Outflows of Resources</b>	<u><b>392,573</b></u>	<u><b>392,573</b></u>
<b>LIABILITIES:</b>		
Accounts Payable (7)	119,521	466,773
Loan Payable - Genesee County - Current (8)	325,000	315,000
Accrued Expenses	180	34,859
Lease Payable - Current	12,307	12,307
Customer Deposits - Local Labor Reporting	18,505	18,505
Unearned Revenue (9)	6,310,862	6,291,340
<b>Total Current Liabilities</b>	<u><b>6,786,375</b></u>	<u><b>7,138,784</b></u>
Loans Payable - ESD (9)	5,196,487	5,196,487
Loan Payable - Genesee County - Noncurrent (8)	2,185,000	2,510,000
Lease Payable - Noncurrent	5,604	5,604
Net Pension Liability (11)	512,048	512,048
<b>Total Noncurrent Liabilities</b>	<u><b>7,899,139</b></u>	<u><b>8,224,139</b></u>
<b>TOTAL LIABILITIES</b>	<u><b>14,685,514</b></u>	<u><b>15,362,923</b></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Pension Inflows (11)	40,527	40,527
<b>Deferred Inflows of Resources</b>	<u><b>40,527</b></u>	<u><b>40,527</b></u>
<b>NET ASSETS</b>	<u><b>\$ 28,482,067</b></u>	<u><b>28,107,437</b></u>



**Significant Events:**

1. Unrestricted & Reserved Cash - \$5.27M has been internally reserved as matching funds related to the FAST NY grant supporting STAMP development.
2. Restricted Cash - Includes cash deposited by ESD into imprest accounts related to the \$8M and \$33M STAMP grants. Expenditures out of these accounts are pre-authorized by ESD.
3. Grants Receivable - National Grid grants support marketing and development activities for STAMP and the LeRoy Food & Tech Park.
4. Accounts Receivable - Final origination fee installment from Nexgistics, Econ. Dev. Program Support Grant, MedTech Centre Property Management, misc.
5. Prepaid Expense(s) - Workers compensation, cyber, D&O, life, umbrella, general liability insurance, government relations, misc.
6. Land Held for Dev. & Resale - Additions are related to STAMP development costs.
7. Accounts Payable - e3communications, interest earned on imprest accounts that will be remitted to ESD and 2023 expenses that will be paid in 2024.
8. 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.
9. Unearned Revenue - Interest 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.
10. Loans Payable - ESD - Loans from ESD to support STAMP land acquisition and related soft costs.
11. Deferred Pension Outflows / Deferred Pension Inflows / Net Pension Liability - Accounts related to implementation of GASB 68.

(A) Restricted Cash = GAIN! Loan Funds, Municipal Funds, Grant Funds Received in Advance.  
(B) Reserved Cash = RLF #1 Funds (defederalized), FAST NY Grant Matching Funds.

**Genesee County Economic Development Center  
Dashboard - For the Three Month Period Ended 3/31/24  
Profit & Loss - Accrual Basis**

	Three Month Period Ended		YTD		2024	2024
	3/31/24	3/31/23	2024	2023	Board Appr. Budget	YTD % of Budget
<b><u>Operating Revenues:</u></b>						
Genesee County	\$ 58,378	\$ 58,378	\$ 58,378	\$ 58,378	\$ 233,513	25%
Genesee County - WFD	6,250	6,250	6,250	6,250	25,000	25%
Fees - Projects (1)	146,477	116,188	146,477	116,188	488,000	30%
Fees - Services	21,786	21,786	21,786	21,786	88,168	25%
Interest Income on Loans	452	596	452	596	1,590	28%
Rent	-	-	-	-	28,809	0%
Common Area Fees - Parks	403	391	403	391	410	98%
Grants (2)	517,737	576,412	517,737	576,412	9,104,847	6%
GGLDC Grant- Econ. Dev. Program Support	75,000	75,000	75,000	75,000	300,000	25%
BP <sup>2</sup> Revenue	5,632	-	5,632	-	70,864	8%
Other Revenue	3,323	2,680	3,323	2,680	5,800	57%
<b>Total Operating Revenues</b>	<b>835,438</b>	<b>857,681</b>	<b>835,438</b>	<b>857,681</b>	<b>10,347,001</b>	<b>8%</b>
<b><u>Operating Expenses</u></b>						
General & Admin	379,265	351,198	379,265	351,198	1,675,970	23%
Professional Services	21,250	21,025	21,250	21,025	172,770	12%
Site Maintenance/Repairs	9,106	1,342	9,106	1,342	38,500	24%
Property Taxes/Special District Fees	4,186	5,275	4,186	5,275	5,615	75%
BP <sup>2</sup> Expense	-	-	-	-	31,432	0%
PIF Expense	60,577	48,162	60,577	48,162	156,294	39%
Site Development Expense (3)	134,500	157,232	134,500	157,232	8,632,540	2%
Real Estate Development (4)	9,822	60,421	9,822	60,421	960	1023%
Balance Sheet Absorption	(9,822)	(60,421)	(9,822)	(60,421)	-	N/A
<b>Total Operating Expenses</b>	<b>608,884</b>	<b>584,234</b>	<b>608,884</b>	<b>584,234</b>	<b>10,714,081</b>	<b>6%</b>
<b>Operating Revenue (Expense)</b>	<b>226,554</b>	<b>273,447</b>	<b>226,554</b>	<b>273,447</b>	<b>(367,080)</b>	
<b><u>Non-Operating Revenue</u></b>						
Other Interest Income (5)	148,076	42,404	148,076	42,404	128,000	116%
<b>Total Non-Operating Revenue</b>	<b>148,076</b>	<b>42,404</b>	<b>148,076</b>	<b>42,404</b>	<b>128,000</b>	<b>116%</b>
<b>Change in Net Assets</b>	<b>374,630</b>	<b>315,851</b>	<b>374,630</b>	<b>315,851</b>	<b>\$ (239,080)</b>	
<b>Net Assets - Beginning</b>	<b>28,107,437</b>	<b>21,988,440</b>	<b>28,107,437</b>	<b>21,988,440</b>		
<b>Net Assets - Ending</b>	<b>\$ 28,482,067</b>	<b>\$ 22,304,291</b>	<b>\$ 28,482,067</b>	<b>\$ 22,304,291</b>		

**Significant Events:**

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

**Genesee County Economic Development Center**  
**Dashboard - For the Three Month Period Ended 3/31/24**  
**Statement of Cash Flows**

	<u>Three Month Period Ended 3/31/24</u>	<u>YTD</u>
<b>CASH FLOWS USED BY OPERATING ACTIVITIES:</b>		
Genesee County	\$ 86,170	\$ 86,170
Fees - Projects	179,477	179,477
Interest Income on Loans	432	432
Common Area Fees - Parks	403	403
Grants	509,130	509,130
BP <sup>2</sup> Revenue	5,632	5,632
Other Revenue	3,323	3,323
Repayment of Loans	13,994	13,994
General & Admin Expense	(453,291)	(453,291)
Professional Services	(60,015)	(60,015)
Site Maintenance/Repairs	(9,106)	(9,106)
Site Development	(234,119)	(234,119)
Property Taxes/Special District Fees	(4,186)	(4,186)
PIF Expense	(60,577)	(60,577)
Improv/Additions/Adj to Land Held for Development & Resale	(252,776)	(252,776)
Net Cash Used By Operating Activities	<u>(275,509)</u>	<u>(275,509)</u>
<b>CASH FLOWS USED BY NONCAPITAL FINANCING ACTIVITIES:</b>		
Principal Payments on Loan	(315,000)	(315,000)
Net Cash Used By Noncapital Financing Activities	<u>(315,000)</u>	<u>(315,000)</u>
<b>CASH FLOWS PROVIDED BY INVESTING ACTIVITIES:</b>		
Interest Income (Net of Remittance to ESD)	165,266	165,266
Net Change in Cash	(425,243)	(425,243)
Cash - Beginning of Period	18,554,182	18,554,182
Cash - End of Period	<u>\$ 18,128,939</u>	<u>\$ 18,128,939</u>
<b>RECONCILIATION OF NET OPERATING REVENUE TO NET CASH USED BY OPERATING ACTIVITIES:</b>		
Operating Revenue	\$ 226,554	\$ 226,554
Depreciation Expense	164	164
Increase in Operating Accounts/Grants Receivable	(74,166)	(74,166)
Increase in Prepaid Expenses	(35,779)	(35,779)
Decrease in Loans Receivable	13,994	13,994
Increase in Land Held for Development & Resale	(9,822)	(9,822)
Decrease in Operating Accounts Payable	(381,297)	(381,297)
Decrease in Accrued Expenses	(34,679)	(34,679)
Increase in Unearned Revenue	19,522	19,522
Total Adjustments	<u>(502,063)</u>	<u>(502,063)</u>
Net Cash Used By Operating Activities	<u>\$ (275,509)</u>	<u>\$ (275,509)</u>

3a

8



**Loan Application for LNK Holdings, Inc. (dba Craft Cannery)**

**Discussion:** LNK Holdings, Inc. (dba Craft Cannery) has applied for a \$100,000 loan from the GCEDC's GAIN Loan fund. Attached is the project description and outline of the proposed use of funds.

**Fund Commitment:** \$100,000 from GCEDC GAIN Loan Fund.

**Committee Action Request:** Recommend approval of \$100,000 loan to LNK Holdings, Inc. (dba Craft Cannery) at an interest rate of 2%. This loan will also require personal and corporate guarantees as well as a first position in the equipment.

# LNK Holdings, Inc. (dba Craft Cannery)

## Project Description

### Overview

LNK Holdings, Inc. (dba Craft Cannery) is a New York State Limited Liability Company.

### The Project

The Project will consist of the planning, design, construction and operation of an approximately 4,000 square foot addition to the Existing Improvements, together with utility and site improvements, parking lots, access and egress improvements, curbage, landscaping and stormwater retention improvements. The Company will also acquire \$200,000 in additional equipment (kettles, pumps, cooling tunnel, racking, etc.) to put in this expansion area. This equipment will allow the company to increase the amount of product and add 4 FTE's over the next three years.

Financing for the project includes a loan from the Genesee County Economic Development Center's (GCEDC) GAIN Loan Fund and equity.

The GCEDC is proposing to use the GAIN Loan Fund in the amount of \$100,000 to provide a loan to the Company as gap financing on the project. The term loan will have an interest rate of 2% per annum and will be amortized over a 10-year term. The loan will be secured by a first position lien filing on the equipment as well as cross-corporate and personal guarantees from the members.

Combined project sources and uses of funds are detailed as follows:

Uses of Funds:	
Equipment	\$200,000
Total Uses	\$200,000
Sources of Funds:	
GCEDC GAIN Loan Fund	\$100,000
Equity/cash	100,000
Total Sources	\$200,000

## Underwriting Guidelines

**Project Costs** - The Company has fully vetted out the equipment costs utilizing quotes from vendors.

**Commitment of Other Sources of Funds** - The Company has the cash on hand to fund the equity piece.

**Financial Feasibility** – The GCEDC has reviewed the Company's tax returns. It appears that the projection of the increase in revenues from the expansion would cover the projected debt service payments along with providing additional cash flow to the Company.

**Pro Rata Disbursement of Funds** - The GCEDC GAIN Loan Fund funding will be used to finance half of the equipment. With equity funding the remainder of the project, the GCEDC will require that the Company proof of equity prior to, or concurrent with, the GCEDC GAIN Loan Fund financing.

**Description of Impact** - The proposed project will result in the Company acquiring manufacturing equipment that will increase the capacity and efficiency of the facility. The proposed project will support the creation of 4.0 new FTE's over the next three years.

GCEDC Audit & Finance

Jim Krencik, Senior Director, Marketing & Communications

Board Meeting Report

April 30, 2024

**New York Loves Nano Semicon West Delegation Sponsorship**

**Discussion:** With the support of National Grid, the GCEDC is joining our partners in the New York Loves Nano delegation at the 2024 Semicon West semiconductor industry conference in San Francisco July 9-11.

The GCEDC has participated in this conference annually, enabling our sales and marketing team to advance business leads including Edward in past years. Additionally, Vice President of Business & Workforce Development Chris Suozzi will be a featured speaker at this year's event.

The GCEDC previously sponsored the delegation's conference floor booth and reception in 2022 and 2023 in partnership with Greater Rochester Enterprise and Invest Buffalo Niagara. This enabled the GCEDC to receive the benefits of a Gold Sponsorship (\$10,000) at the cost of a Silver Sponsorship (\$5,000). These include prominent booth imagery space, conference registration, and sponsorship of both a conference booth and the New York Loves Nano reception.

The New York Loves Nano delegation is coordinated by the New York State Economic Development Council.

This expenditure was anticipated in the 2024 Marketing budget and this expenditure is at the same level as in 2022 and 2023.

**Board Action Request:** Approval to exceed \$5,000 paid to the New York State Economic Development Council for the New York Loves Nano Semicon West Sponsorship

## Approval of mowing contract for GCEDC properties

**Discussion:** The GCEDC asked five companies for bids to mow the properties we have acquired at STAMP and the entrance sign to STAMP. The results of the bids are as follows based on 16 mows in the season:

1. Declined to bid – Bubba’s Landscaping.
2. ~~\$6,610 – Craig’s Mowing and Landscaping~~ *can't meet insurance requirements*
3. \$10,400 – S&S Excavating & Blacktop
4. \$11,200 – Fava Brothers Lawn Care

**Fund Commitment:** \$6,610.

**Board Action Request:** Approval of mowing contract for STAMP properties to Craig’s Mowing & Landscaping for \$6,610.