



Meeting Agenda – Audit and Finance Committee

Genesee Gateway Local Development Corp

Tuesday, July 9, 2024 – 8:30 a.m.

Location: 99 MedTech Drive, Innovation Zone

Page #	Topic	Discussion Leader	Desired Outcome
	1. Call To Order – Enter Public Session	M. Brooks	
2-4	2. Chairman’s Report & Activities 2a. Agenda Additions / Other Business 2b. Minutes: June 4, 2024	M. Brooks	Vote
5-9 10-16	3. Discussions / Official Recommendations to the Board: 3a. May 2024 Financial Statements 3b. Assessment of the Effectiveness of Internal Controls	L. Farrell L. Farrell	Disc / Vote Disc / Vote
	5. Adjournment	M. Brooks	Vote

GGLDC Audit & Finance Committee Meeting

Tuesday, June 4, 2024

Location – 99 MedTech Drive, Innovation Zone

8:30 a.m.

MINUTES

ATTENDANCE

Committee Members M. Brooks, J. Tretter, P. Battaglia (Video Conference*)
Staff: L. Farrell, M. Masse, C. Suozzi, J. Krencik, E. Finch, L. Casey
Guests: M. Gray, K. Manne, P. Zeliff
Absent: D. Cunningham

*Attending from a physical location identified in the meeting notice as open to the public.

1. CALL TO ORDER / ENTER PUBLIC SESSION

M. Brooks called the meeting to order at 9:05 a.m. in the Innovation Zone.

2. CHAIRMAN'S REPORT & ACTIVITIES

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

2b. Minutes: April 30, 2024

J. Tretter made a motion to recommend approval of the minutes from April 30, 2024; the motion was seconded by P. Battaglia. Roll call resulted as follows:

J. Tretter - Yes
P. Battaglia - Yes (Video Conference*)
M. Brooks - Yes
D. Cunningham – Absent

The item was approved as presented.

3. DISCUSSIONS / OFFICIAL RECOMMENDATIONS TO THE BOARD:

3a. April 2024 Financial Statements – L. Farrell reviewed with the Committee the significant items of the long form financial statements for April 2024.

- There is mostly normal monthly activity.
- The MedTech Park land sale closed. USDA required that the net proceeds were used to pay down our loan. It was mentioned before that we were trying to use those proceeds to fund the Batavia Home Fund but we were ultimately unable to do that.

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- Land Held for Development & Sale decreased. Land was written off the books related to the land sale.
- There was a small portion of the sale that was allocated to the MedTech Center fund. When the MedTech Centre building was built there were 6 acres that were sold internally from MedTech Park to MedTech Centre. Therefore, the land sale impacted both funds. There is an interfund revenue and expense recorded. All the proceeds landed in the MedTech Park fund because we were required to pay down the loan with USDA, which is accounted for in the MedTech Center fund. The loan payable for USDA noncurrent portion decreased as well.

P. Battaglia made a motion to recommend to the full Board the approval of the April 2024 Financial Statements as presented; the motion was seconded by J. Tretter. Roll call resulted as follows:

J. Tretter - Yes
P. Battaglia - Yes (Video Conference*)
M. Brooks - Yes
D. Cunningham – Absent

The item was approved as presented.

3b. Audit & Finance Committee Charter – The Charter was included in the meeting materials for review. This was discussed during executive session when the Committee Self-Evaluation was discussed. L. Farrell does not recommend any changes and neither does the Committee.

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

3c. Committee Self-Evaluation – This discussion took place during executive session. A new memo will be drafted and added to the file for our records.

3d. MedTech Centre Parking Lot Lights – In order to diagnose the current problem with the parking lot lighting (there are several lights not working) at 99 MedTech Drive. Gilligan Electric proposes to:

1. Provide an aerial lift to check wire terminations, voltages, driver conditions, brand name and model number of fixtures.
2. Check complete electrical circuit from breakers at panel to hand holes located at each individual pole.
3. Labor will be paid at above the current prevailing wage.

The cost of this investigation will not exceed \$4,000.00 (this includes lift cost, small parts, labor).

P. Zelif questioned when the lights were installed because there may still be a warranty on them. Gilligan Electric believes that there is a possibility that the caps could have come undone, allowing water in and causing the lights to short. M. Masse reiterated that this is a troubleshooting situation to identify the problem. M. Masse stated that if Gilligan Electric finds that the problem is workmanship related to the original installation, then Gilligan Electric would stop, and the Agency would attempt to work with the company that originally installed the lights to continue.

Fund Commitment: Not to exceed \$4,000 from MedTech Centre operating funds.

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Board Action Request: Recommend approval of the proposal to trouble shoot parking lot light issues to Gilligan Electric.

J. Tretter made a motion to recommend to the full Board the approval of the proposal with Gilligan Electric to troubleshoot the parking lot light issues not to exceed \$4,000 as presented; the motion was seconded by P. Battaglia. Roll call resulted as follows:

J. Tretter - Yes
P. Battaglia - Yes (Video Conference*)
M. Brooks - Yes
D. Cunningham – Absent

The item was approved as presented.

4. ADJOURNMENT

As there was no further business, J. Tretter made a motion to adjourn at 9:14 a.m. , seconded by P. Battaglia and passed unanimously.

Genesee Gateway Local Development Corp.
Dashboard - May 2024
Balance Sheet - Accrual Basis

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[Per Audit]
12/31/23

	<u>5/31/24</u>	<u>4/30/24</u>	<u>12/31/23</u>
ASSETS:			
Cash - Unrestricted	\$ 711,608	\$ 716,531	\$ 706,434
Cash - Restricted (A)	1,113,865	1,114,469	1,582,013
Cash - Reserved (B)	1,510,061	1,576,392	1,336,281
Cash - Subtotal	3,335,534	3,407,392	3,624,728
Accounts Receivable	8,808	8,974	11,320
Interest Receivable	-	-	3,839
Lease Receivable GASB - Current Portion	522,953	522,953	522,953
Loans Receivable - Current Portion	447,477	451,699	581,079
Other Current Assets (1)	41,246	46,803	3,335
Total Current Assets	4,356,018	4,437,821	4,747,254
Land Held for Dev. & Resale (2)	1,968,357	1,968,357	2,182,234
Buildings & Improvements	7,281,719	7,281,719	7,248,621
Furniture, Fixtures & Equipment	46,599	46,599	46,599
Total Property, Plant & Equip.	9,296,675	9,296,675	9,477,454
Less Accumulated Depreciation	(2,622,826)	(2,606,713)	(2,542,265)
Net Property, Plant & Equip.	6,673,849	6,689,962	6,935,189
Lease Receivable GASB - Noncurrent Portion	1,930,390	1,930,390	1,930,390
Loans Receivable - Noncurrent Portion (Net of \$170,238 Allow for Bad Debt)	676,944	682,367	777,143
Equity Investment in Genesee Agri-Business, LLC (3)	2,562,240	2,562,240	2,562,240
Equity Investment in STAMP Sewer Works, Inc. (4)	250,000	250,000	250,000
Equity Investment in STAMP Water Works, Inc. (5)	25,000	25,000	25,000
Other Assets	5,444,574	5,449,997	5,544,773
Total Assets	16,474,441	16,577,780	17,227,216
LIABILITIES:			
Accounts Payable (6)	66,269	135,049	58,627
Unearned Revenue	41,992	40,965	500
Security Deposits	109,944	109,944	109,944
Loans Payable - Current Portion	91,552	91,248	90,041
Bonds Payable - Current Portion	159,599	144,773	156,909
Total Current Liabilities	469,356	521,979	416,021
Loans Payable - Noncurrent Portion (2)	1,803,370	1,811,140	2,001,898
Bonds Payable - Noncurrent Portion	2,106,147	2,135,147	2,179,828
Total Noncurrent Liabilities	3,909,517	3,946,287	4,181,726
Total Liabilities	4,378,873	4,468,266	4,597,747
DEFERRED INFLOW OF RESOURCES			
Deferred Inflow - Leases	2,373,512	2,373,512	2,373,512
Total Deferred Inflow of Resources	2,373,512	2,373,512	2,373,512
EQUITY	\$ 9,722,056	\$ 9,736,002	\$ 10,255,957

Significant Events:

1. Other Current Assets - Prepaid General Liability, Umbrella, D&O and Cyber insurance.
2. Land Held for Dev. & Resale & Bonds Payable Noncurrent Portion - YTD proceeds from the MedTech Landing land sale at MedTech Park was applied to the USDA Bond.
3. Equity Investment in Genesee Agri-Business, LLC - Ties to corresponding GAB, LLC financial statements.
4. Equity Investment in STAMP Sewer Works, Inc. - Distributions to this entity to cover start up costs and legal fees.
5. Equity Investment in STAMP Water Works, Inc. - Distributions to this entity to cover start up costs.
6. Accounts Payable - Grant for continuing Economic Development Program support, MedTech Centre Property Mgmt, etc.

(A) Restricted = DL Community Benefit Agreement (CBA) Funds, Plug Power Host Community Investment Funds, Security Deposits, USDA Debt Sinking Fund.
(B) Reserved = OCR loan repayments, Strategic Investment Funds, Economic Development Loan Funds, Batavia Metropolitan Area Redevelopment Loan Funds, Grant Funds.

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**Genesee Gateway Local Development Corp.
Dashboard - May 2024
Profit & Loss - Accrual Basis**

	Month to Date		YTD		2024	2024
	<u>5/31/24</u>	<u>5/31/23</u>	<u>2024</u>	<u>2023</u>	Board Approved <u>Budget</u>	YTD % of Budget
<u>Operating Revenues:</u>						
Grants (1)	\$ -	\$ -	\$ 27,000	\$ 1,160,611	\$ 1,822,876	1%
Interest Income on Loans	3,620	2,512	18,226	11,800	39,477	46%
Rent	62,440	63,727	313,007	314,435	767,488	41%
Common Area Fees - Parks	-	-	3,030	500	500	606%
Fees	-	-	-	250	-	N/A
Other Revenue	-	92	440	269	-	N/A
Land Sale Proceeds	-	-	200,000	-	-	N/A
Total Operating Revenues	66,060	66,331	561,703	1,487,865	2,630,341	
<u>Operating Expenses:</u>						
Operations & Maintenance	16,593	17,558	87,254	89,457	345,024	25%
Professional Services	20,527	7,262	49,575	54,386	137,168	36%
Econ. Dev. Prog. Support Grant	25,000	25,000	125,000	125,000	300,000	42%
Site Development Expense (2)	-	-	485,753	-	578,883	84%
Cost of Sales	-	-	254,423	-	-	N/A
Grant Expense	-	-	2,000	373,007	869,648	0%
Real Estate Dev. (Capitalized)	-	-	-	-	20,000	0%
Buildings/Furniture/Equip. (Capitalized) (3)	-	-	33,098	-	50,000	66%
Balance Sheet Absorption	-	-	(33,098)	-	(70,000)	47%
Depreciation	16,113	16,175	80,561	80,875	193,385	42%
Total Operating Expenses	78,233	65,995	1,084,566	722,725	2,424,108	
Operating Revenue (Expense)	(12,173)	336	(522,863)	765,140	206,233	
<u>Non-Operating Revenues (Expenses):</u>						
Other Interest Income (4)	10,470	5,351	50,314	8,824	62,500	81%
Interest Expense	(12,243)	(12,921)	(61,352)	(64,200)	(144,639)	42%
Total Non-Operating Exp.	(1,773)	(7,570)	(11,038)	(55,376)	(82,139)	
Change in Net Assets	(13,946)	(7,234)	(533,901)	709,764	\$ 124,094	
Net Assets - Beginning	9,736,002	10,124,318	10,255,957	9,407,320		
Net Assets - Ending	\$ 9,722,056	\$ 10,117,084	\$ 9,722,056	\$ 10,117,084		

Significant Events:

- Grant Revenue YTD - ESL Federal Credit Union pass-through grant to BEA supporting Young Dexter STEAM Camp(\$2K); YTD Workforce Dev/Ec Dev Program Support Grant from Oak Orchard Solar (\$25K).
- Site Development Expense YTD - Payment made to the Town of Pembroke per the 2019 Sewer Supply Agreement supporting construction costs of the Corfu wastewater treatment facility expansion.
- Buildings / Furniture / Equipment YTD - MedTech Centre building light fixture upgrades to LED.
- Other Interest Income - Interest rates have increased substantially; invested funds into CDs for additional interest.

Genesee Gateway Local Development Corp.
May 2024 Dashboard
Statement of Cash Flows

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	May 2024	YTD
CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Grant Income	\$ -	\$ 27,000
Interest Income on Loans	3,607	18,219
Rental Income	63,611	356,666
Common Area Fees - Parks	-	3,030
Other Revenue	-	793
Net Land Sale Proceeds	-	200,000
Operations & Maintenance	(11,001)	(131,406)
Professional Services	(35,307)	(37,193)
Economic Development Program Support Grant	(75,000)	(75,000)
Site Development Expense	-	(485,753)
Cost of Land Sales	-	(40,546)
Grant Expense	(4,000)	(4,000)
Repayment of Loans	9,645	233,801
Net Cash Provided (Used) By Operating Activities	(48,445)	65,611
CASH FLOWS USED BY CAPITAL & RELATED FINANCING ACTIVITIES:		
Principal Payments on Bonds & Loans	(21,640)	(268,008)
Interest Paid on Bonds & Loans	(12,243)	(61,352)
Purchase/Improvements of Buildings/Furniture/Equipment	-	(79,598)
Net Cash Used By Capital & Related Financing Activities	(33,883)	(408,958)
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES:		
Interest Income	10,470	54,153
Net Cash Provided By Investing Activities	10,470	54,153
Net Change in Cash	(71,858)	(289,194)
Cash - Beginning of Period	3,407,392	3,624,728
Cash - End of Period	\$ 3,335,534	\$ 3,335,534
RECONCILIATION OF OPERATING EXPENSE TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Operating Expense	\$ (12,173)	\$ (522,863)
Adjustments:		
Depreciation Expense	16,113	80,561
Decrease in Land Held For Dev. & Resale	-	213,877
Decrease in Accounts Receivable	166	2,512
Decrease (Increase) in Other Current Assets	5,557	(37,911)
Decrease in Loans Receivable	9,645	233,801
Increase (Decrease) in Operating Accounts Payable	(68,780)	54,142
Increase in Unearned Revenue	1,027	41,492
Total Adjustments	(36,272)	588,474
Net Cash Provided (Used) By Operating Activities	\$ (48,445)	\$ 65,611

Genesee Gateway Local Development Corp.
Dashboard - May 2024
Balance Sheet - Accrual Basis

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	GGLDC	GABLLC	Eliminations	COMBINED	
	<u>5/31/24</u>	<u>5/31/24</u>		<u>5/31/24</u>	<u>Per Audit</u>
				<u>12/31/2023</u>	
ASSETS:					
Cash - Unrestricted	\$ 711,608	\$ -	\$ -	\$ 711,608	\$ 3,399,008
Cash - Restricted (A)	1,113,865	-	-	1,113,865	1,582,013
Cash - Reserved (B)	1,510,061	2,775,620	-	4,285,681	1,336,281
Cash - Subtotal	<u>3,335,534</u>	<u>2,775,620</u>	<u>-</u>	<u>6,111,154</u>	<u>6,317,302</u>
Accts Receivable - Current	8,808	-	-	8,808	15,520
Interest Receivable - Current	-	-	-	-	8,246
Lease Receivable GASB - Current	522,953	13,946	-	536,899	536,899
Loans Receivable - Current	447,477	-	-	447,477	581,079
Other Current Assets	41,246	-	-	41,246	3,335
Total Current Assets	<u>4,356,018</u>	<u>2,789,566</u>	<u>-</u>	<u>7,145,584</u>	<u>7,462,381</u>
Land & Improvements	1,968,357	1,339,730	-	3,308,087	3,521,964
Buildings & Improvements	7,281,719	-	-	7,281,719	7,248,621
Furniture, Fixtures & Equipment	46,599	-	-	46,599	46,599
Total Property, Plant & Equip.	9,296,675	1,339,730	-	10,636,405	10,817,184
Less Accumulated Depreciation	<u>(2,622,826)</u>	<u>-</u>	<u>-</u>	<u>(2,622,826)</u>	<u>(2,542,265)</u>
Net Property, Plant & Equip.	<u>6,673,849</u>	<u>1,339,730</u>	<u>-</u>	<u>8,013,579</u>	<u>8,274,919</u>
Lease Receivable GASB - Noncurrent	1,930,390	94,968	-	2,025,358	2,025,358
Loans Receivable - Noncurrent	676,944	-	-	676,944	777,143
Equity Investment in GAB, LLC	2,562,240	-	(2,562,240)	-	-
Equity Investment in STAMP Sewer Works, Inc.	250,000	-	-	250,000	250,000
Equity Investment in STAMP Water Works, Inc.	25,000	-	-	25,000	25,000
Other Assets	<u>5,444,574</u>	<u>94,968</u>	<u>(2,562,240)</u>	<u>2,977,302</u>	<u>3,077,501</u>
TOTAL ASSETS	<u>16,474,441</u>	<u>4,224,264</u>	<u>(2,562,240)</u>	<u>18,136,465</u>	<u>18,814,801</u>
LIABILITIES:					
Accounts Payable	66,269	-	-	66,269	58,627
Unearned Revenue (1)	41,992	-	-	41,992	1,773
Customer Deposit	-	-	-	-	20,000
Security Deposits	109,944	-	-	109,944	109,944
Loans Payable - Current Portion	91,552	-	-	91,552	90,041
Bonds Payable - Noncurrent Portion	159,599	-	-	159,599	156,909
Total Current Liabilities	<u>469,356</u>	<u>-</u>	<u>-</u>	<u>469,356</u>	<u>437,294</u>
Loans Payable - Noncurrent Portion	1,803,370	-	-	1,803,370	2,001,898
Bonds Payable - Noncurrent Portion	2,106,147	-	-	2,106,147	2,179,828
Total Noncurrent Liabilities	<u>3,909,517</u>	<u>-</u>	<u>-</u>	<u>3,909,517</u>	<u>4,181,726</u>
TOTAL LIABILITIES	<u>4,378,873</u>	<u>-</u>	<u>-</u>	<u>4,378,873</u>	<u>4,619,020</u>
DEFERRED INFLOW OF RESOURCES					
Deferred Inflow - Leases	2,373,512	108,914	-	2,482,426	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>2,482,426</u>
EQUITY	<u>\$ 9,722,056</u>	<u>\$ 4,115,350</u>	<u>\$ (2,562,240)</u>	<u>\$ 11,275,166</u>	<u>\$ 11,713,355</u>

(A) Restricted = DL Community Benefit Agreement (CBA) Funds, Plug Power Host Community Investment Funds, Security Deposits, USDA Debt Sinking Fund.
(B) Reserved = OCR loan repayments, Strategic Investment Funds, Economic Development Loan Funds, Batavia Metropolitan Area Redevelopment Loan Funds, Grant Funds.

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**Genesee Gateway Local Development Corp.
Dashboard - May 2024
Profit & Loss - Accrual Basis**

	GGLDC		GABLLC		COMBINED	
	<u>5/31/24</u>	<u>5/31/24</u>	<u>5/31/24</u>	<u>5/31/24</u>	<u>5/31/24</u>	<u>Combined YTD</u>
<u>Operating Revenues:</u>						
Grants	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 27,000
Interest Income on Loans	3,620	-	-	-	3,620	18,226
Rent	62,440	7,299	-	-	69,739	349,451
Interest Income on Leases	-	-	-	-	-	-
Lease Revenue	-	-	-	-	-	-
Common Area Fees - Parks Fees	-	-	-	-	-	12,274
Other Revenue ⁽¹⁾	-	-	-	-	-	20,440
Land Sale Proceeds	-	-	-	-	-	200,000
Total Operating Revenues	66,060	7,299	-	-	73,359	627,391
<u>Operating Expenses:</u>						
Operations & Maintenance	16,593	15	-	-	16,608	91,865
Professional Services	20,527	-	-	-	20,527	49,575
Econ. Dev. Program Support Grant	25,000	-	-	-	25,000	125,000
Site Development Expense	-	-	-	-	-	485,753
Cost of Sales	-	-	-	-	-	254,423
Grant Expense	-	-	-	-	-	2,000
Buildings/Furniture/Equipment (Capita	-	-	-	-	-	33,098
Balance Sheet Absorption	-	-	-	-	-	(33,098)
Depreciation	16,113	-	-	-	16,113	80,561
Total Operating Expenses	78,233	15	-	-	78,248	1,089,177
Operating Revenue (Expense)	(12,173)	7,284	-	-	(4,889)	(461,786)
<u>Non-Operating Revenues (Expenses):</u>						
Other Interest Income	10,470	6,945	-	-	17,415	84,949
Interest Expense	(12,243)	-	-	-	(12,243)	(61,352)
Total Non-Operating Rev (Exp)	(1,773)	6,945	-	-	5,172	23,597
Change in Net Assets	(13,946)	14,229	-	-	283	(438,189)
Net Assets - Beginning	9,736,002	4,101,121	(2,562,240)	-	11,274,883	11,713,355
Net Assets - Ending	\$ 9,722,056	\$ 4,115,350	\$ (2,562,240)	\$ -	\$ 11,275,166	\$ 11,275,166



2024 Assessment of the Effectiveness of Internal Controls

Purpose of the Genesee Gateway Local Development Corporation (GGLDC)

The GGLDC was created in 2004 with a focus on economic development opportunities related to real estate and corporate park development.

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. To be efficient and cost effective and in accordance with the goal of developing shovel-ready sites to assist in the enabling of IDA assisted projects, the staff of the GGLDC's sole owner, the Genesee County Industrial Development Agency d/b/a/ Genesee County Economic Development Center (GCEDC), provides services which enhance the internal controls of the GGLDC. Examples of some of the controls used are listed below:

- All invoices must be reviewed and verified by the Treasurer or GCEDC's CFO, ~~or President/CEO or Sr. VP of Operations~~. All checks require two Board Member signatures. GCEDC's CFO opens and reviews all bank statements and bank reconciliations. – *Multiple persons signing off on the process and the GCEDC's CFO opens and reviews bank statements and does not have authorization to sign checks.*
- All checks received by the GGLDC are recorded and stamped "for deposit only" by GCEDC's Operations Assistant or Finance Assistant and given to GCEDC's Operations Manager for review. GCEDC's Operations Manager ensures that all funds are coded, and that each transaction is recorded in the accounting software. The deposit slips are prepared by GCEDC's 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 GGLDC was last reviewed by the GGLDC's Audit & Finance Committee on June-July 279, 20232024. The Audit & Finance Committee's review affirmed that there are no material control weaknesses to be reported. The GGLDC 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 in internal controls 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: ~~6/27/23~~7/9/24 (Effective 8/1/24)

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~~ Tompkins Community Bank. 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~~ CEO.

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~~ CEO, 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 and, 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 President/CEO. 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 Accounting software 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.

There is a firewall in place. Multi-factor authentication is used by all staff.

GCEDC Employee Reimbursements

Employee reimbursement requests are submitted to and approved by the ~~Senior VP of Operations~~ President/CEO and CFO. The President/CEO and one Board member or two Board members 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
- Five Star Bank (Loan payments)
- KeyBank (Line of Credit payments)
- ~~Bank of Castile~~ Tompkins Community Bank
- Five Star Bank
- Quadient (Postage)
- Traveler's (D&O Insurance)
- Town of Batavia (Water/Sewer)
- Empire Access
- NYS Deferred Compensation / Nationwide
- Complete Payroll Processing
- NYS Retirement
- Health Insurance Vendor
- Vision Insurance Vendor
- 360 PSG

List Last Reviewed & Approved by Audit & Finance Committee:

GCEDC - 6/27/2023/7/9/24

GGLDC - 6/27/2023/7/9/24