



Meeting Agenda – Audit and Finance Committee

Genesee Gateway Local Development Corp
 Tuesday, October 29, 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	
	1a. Enter Public Session	M. Brooks	
2-8	2. Chairman’s Report & Activities 2a. Agenda Additions / Other Business 2b. Minutes: October 1, 2024	M. Brooks	Vote
9-13	3. Discussions / Official Recommendations to the Board: 3a. September 2024 Financial Statements	L. Farrell	Disc / Vote
14	3b. GGLDC 2025 Budget	L. Farrell	Disc / Vote
15-17	3c. GGLDC 1+3 Budget	L. Farrell	Disc / Vote
	3d. GCEDC Economic Development Program Support Grant	L. Farrell	Disc / Vote
18-19	3e. Strategic Investments	L. Farrell	Discussion
20	3f. Commercial Cleaning Services – Additional 2024 Services	L. Farrell	Disc / Vote
21-30	3g. 12/31/24 Audit Services	L. Farrell	Disc / Vote
	5. Adjournment	M. Brooks	Vote

GGLDC Audit & Finance Committee Meeting

Tuesday, October 1, 2024

Location – 99 MedTech Drive, Innovation Zone

8:30 a.m.

MINUTES

ATTENDANCE

Committee Members M. Brooks, P. Battaglia, D. Cunningham, J. Tretter
Staff: L. Farrell, M. Masse, E. Finch, L. Casey, P. Kennett, C. Suozzi, J. Krencik
Guests:
Absent:

1. CALL TO ORDER / ENTER PUBLIC SESSION

M. Brooks called the meeting to order at 8:31 a.m. in the Innovation Zone.

2. CHAIRMAN'S REPORT & ACTIVITIES

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

2b. Minutes: September 3, 2024

J. Tretter made a motion to recommend approval of the minutes from September 3, 2024; the motion was seconded by D. Cunningham. Roll call resulted as follows:

J. Tretter - Yes
P. Battaglia - Yes
M. Brooks - Yes
D. Cunningham – Yes

The item was approved as presented.

3. DISCUSSIONS / OFFICIAL RECOMMENDATIONS TO THE BOARD:

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

- There are no significant changes to the balance sheet when compared to July balances.
- There is mostly normal monthly activity.
- Most of the activity is in the MedTech Centre Fund and is at about 66-67% of budget for most line items, which is where we would anticipate being at this time.

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

J. Tretter - Yes
P. Battaglia - Yes
M. Brooks - Yes
D. Cunningham - Yes

The item was approved as presented.

3b. GGLDC 2025 Budget Timeline - The 2025 Budget is due to the ABO and OSC by November 1, 2024. L. Farrell reviewed the timeline to emphasize the need for a quorum at the October 31st Board meeting. L. Farrell requested that Board members notify staff of any potential conflicts as soon as possible. P. Battaglia stated that it is more than likely that he will not be able to attend the meetings the week of the next Board meeting. The Committee recalled that P. Zeliff may have a conflict for that week as well.

L. Farrell stated that the Board meeting on October 31st should still be fine but the October 29th Audit and Finance Committee meeting date may need to change to ensure a quorum.

3c. GGLDC 2025 Budget Assumptions - L. Farrell presented the cash projections through the end of 2024 and 2025 cash budgets to the Committee. For the GGLDC, the cash budget is completed first. It is then converted to accrual basis. The Authorities Budget Office requires the accrual basis budget to be entered into PARIS.

Some of the significant items noted on the September 1 – December 31, 2024 Cash Projection are as follows:

- The opening balances of September 1st tie to the August 31st Financial Statements.
- Source items include:
 - o MedTech Centre rent. First Wave's lease ends at the end of October. For the 2025 budget there is no rent included for that space to be conservative and to make sure we can still make our debt service payments.
 - o In Buffalo East Tech Park there is \$93,000 coming in from the Dairen Lake Community Benefit Agreement. This is annual through 2027. These payments have been committed to the Town of Pembroke to support the Wastewater Treatment Facility. There is a chance we will be able to keep some of the final payments from Darien Lake. Staff is working on drawing down a grant from ESD that would reduce the amount of CBA funds that would need to be turned over to the Town.
- Line 59 Miscellaneous Expense is for Workforce Development. Sources and Uses were included in the packet (agenda item 3f) for reference. This line item includes two expenses that have already been approved by the board to help support the City of Batavia School Board and GCC with their Computer Numerical Control (CNC) programs by providing funding for equipment.
- At the end of 2024, we would anticipate having about \$3.2M in Strategic Investments which includes the money from the LLC on line 77.
- Most of the other money in the LDC is reserved or restricted, including money from the STAMP Host Benefit Agreement with Plug Power, Workforce Development, CBA, USDA Debt Sinking Fund of \$184,000 and MedTech Centre Security Deposits.

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J. Tretter mentioned the available cash in the LDC loan funds and asked about the average loan amounts. L. Farrell stated that the loans usually range from \$100,000 to \$200,000. M. Masse stated that the interest rate used to be prime minus one with a floor of 3% but the Board changed the interest rate to prime. With interest rates going up, there has not been a lot of companies interested. GCEDC's GAIN Loan fund is a fixed 1% and there has been only one loan in this fund recently. M. Masse stated that the loans and their current criteria requirements will be brought back to the committee in December to review and possibly change.

L. Farrell then reviewed the 2025 budget information for each fund in detail with the Committee. The significant items discussed are outlined in the comments section for each cash budget, included with Committee meeting materials.

Operating Fund Anticipated Activity for 2025:

- Anticipate collecting loan repayments from OCR loans with HP Hood and Upstate Niagara.
- There is also the Chamber Loan that is in default, which is not included but it is an opportunity for about \$10,000 that we could collect.
- Line 7, OCR Grant, is related to a contract that is annually approved with a grant consulting firm for about \$25,000 of which \$10,000 will be reimbursable.
- There is an interfund transfer of about \$35,000, which can be seen going out to other funds to cover mowing, insurance, professional fees, etc. Interfund transfers cover operational and maintenance costs that have no other source of funds.
- There is a 6% increase for General Liability, Umbrella and D&O insurance and a 30% increase for Cyber, which is going from \$3,800 to \$5,000.
- There is the \$300,000 Economic Development Support Grant coming out of strategic investments funds over to the EDC which is consistent with prior years.
- Miscellaneous is Workforce Development. C. Suozzi prepares a Sources and Uses sheet for these funds. This money originates from the \$25,000 grants received from solar projects. All these payments have not been dedicated to Workforce Development, but some have.
- There is a placeholder for grant expense of \$50,000. There are agreements in place with HP Hood and Upstate Niagara that were from the time of the OCR loans. Grants of \$25,000 were committed to each company for Workforce Training funding.

Gateway II Corporate Park Anticipated Activity for 2025:

- Ground lease with Gateway GS of \$840 a year which covers expenses related to that parcel of land.
- Line 20, about \$1,000 as a placeholder for signage and light maintenance.
- Other than that activity, it is just maintenance for this park.

Buffalo East Tech Park Anticipated Activity for 2025:

- There will be another \$93,000 coming in October of 2025 from the Darien Lake CBA.
- Line 61, Sewer, is an accumulation of the cash in that fund going out to the Town of Pembroke, which is about \$187,000.
- There is \$20,000 anticipated for a gravel road. This also increases maintenance expenses because there would have to be brush hogging done to open it up.

Genesee Agri-Business Park Anticipated Activity for 2025:

- Awaiting a contract from the County for mowing, so the budget number is based on what it cost last year.

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MedTech Park Anticipated Activity for 2025:

- Lease agreement with YSG/Batavia Solar is \$13,000 for next year.
- Site Maintenance and Property Tax are in this account as well.

MedTech Centre Anticipated Activity for 2025:

- No rent projected for the First Wave Space.
- Line 36, GCEDC Property Management Fee which is calculated at 12% of 2024's projected rent revenue.
- Debt service, there is 5-year repricing on this item which expires in 2025.
- There is a placeholder of \$50,000 for heating and cooling upgrades. This was the same number as last year. We will leave this in every year due to the age of the building and to be conservative.

STAMP Anticipated Activity for 2025:

- Plug Power Host Benefit Agreement coming in at about \$900,000.

Economic Development Loan Fund Anticipate Activity for 2025:

- Loan repayments from Fraser Branche, Liberty Valvo, and LNK Holding.

Batavia Micropolitan Area Redevelopment Loan Fund Anticipated Activity for 2025:

- Loan repayments from Batavia Brewing and J&R Fancher.

Genesee Valley Agri-Business LLC Anticipated Activity for 2025:

- CAM charges from HP Hood and Upstate Niagara and rent from First Light Fiber.
- Cash balance at 12/31/25 is anticipated to be \$2.73M.
- Funds will be transferred from the GAB, LLC to the GGLDC to take advantage of investing in CDs. Funds in the GAB, LLC should not be invested in CDs because CDs are not collateralized.

Also included with the budget materials was a worksheet for MedTech Centre expenses.

L. Farrell asked Committee members to contact her if they have any other suggestions or questions regarding the drafted budget. A final version of the 2025 cash budget, along with the accrual budget, will be brought forward at the next Audit & Finance Committee meeting for approval. Any changes made to the budget assumptions will be reviewed in detail at that time.

3d. Auditor Selection – Two years ago the GCEDC and its affiliated entities issued a joint Request for Proposals (RFP) for Professional Auditing Services. The RFP requested services for three audit years from January 1, 2022 to December 31, 2024, with an option of contracting for an additional two years (2025-2026). The Board approved a 3-year engagement with Mostert, Manzanero & Scott, LLP. L. Farrell noted that the fee for 2024 audit services will remain the same. She will contact Mostert, Manzanero & Scott, LLP for an engagement letter for 2024 audit services that will be brought forward to the next meeting.

3e. Insurance Renewal – L. Farrell stated that it is difficult for Tompkins Insurance to receive quotes from multiple carriers. Many decline to quote. Staff is aware that the Board would prefer to go out to bid each year for insurance. However, L. Farrell stated that there may be a correlation between the frequency that the Agency goes out to bid and the lack of responses received. L. Farrell recommended requesting a

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quote from Selective first to see what the price is before asking for additional quotes. P. Battaglia stated that P. Zeliff would need to be consulted for further approval.

3f. Workforce Development Sources and Uses – C. Suozzi reviewed the sources and uses of the 2024 Workforce Development Fund as outlined in the meeting materials. We have paid/scheduled \$55,438 out of \$88,250 that was planned for 2024. A few programs were placeholders, including Cornell in High School and Boxcar Derby for Leroy, that did not come to fruition this year. Additionally, Pre-Apprenticeship Boot Camp had a \$10,000 placeholder that was covered by GCC.

For 2025, we anticipate spending \$63,250. The Cornell High in School program is not likely to happen in 2025 as there is not enough kids taking advantage of the opportunity. Cornell is looking to alternatively move towards adults. C. Suozzi stated that there is a program that he is going to try to get off the ground this year called SAME (Summer Advanced Manufacturing Experience) which targets 9th and 10th graders in manufacturing.

3g. Snow and Ice Removal Contract with the County - The GGLDC had received a snow and ice removal contract from the Genesee County Highway Department for the sidewalks at the MedTech Centre. This is the same agreement we had with the County last year, but this is the first year that they have sent over a contract. The GGLDC will be invoiced monthly on a time/materials basis for work performed.

Fund commitment: Not to exceed \$5,000 from operational funds of MedTech Centre.

Board action request: Approval of Snow and Ice Removal Contract for \$5,000 with Genesee County.

D. Cunningham made a motion to recommend to the full Board the approval of the Snow and Ice Removal Contract with the County not to exceed \$5,000 as presented; the motion was seconded by J. Tretter. Roll call resulted as follows:

J. Tretter - Yes
P. Battaglia - Yes
M. Brooks - Yes
D. Cunningham – Yes

The item was approved as presented.

3h. Increase for HVAC - In March the GGLDC approved the following:

1. Maintenance contract with Triton for the HVAC system in the amount of \$4,950, as well as
2. Service calls and maintenance work that is not to exceed an additional \$15,000.

Over the course of the year there have been various service and maintenance calls related to the HVAC units.

We are approaching the previously approved not to exceed amount and are looking for an increase to cover potential service calls through the end of the year.

Fund Commitment: Increasing the not to exceed amount from \$15,000 to \$20,000, a \$5,000 increase.

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Board Action Request: Approval of increasing the not to exceed amount from \$15,000 to \$20,000, for an increase of \$5,000.

P. Battaglia made a motion to recommend to the full Board an increase in the not to exceed amount for Triton from \$15,000 to \$20,000, for an increase of \$5,000 as presented; the motion was seconded by J. Tretter. Roll call resulted as follows:

J. Tretter - Yes
P. Battaglia - Yes
M. Brooks - Yes
D. Cunningham - Yes

The item was approved as presented.

3i. Increase for Electrical Repairs at MedTech Centre - In June the GGLDC approved a contract with Gilligan Electric to troubleshoot the issues with the parking lot lights at a not to exceed amount of \$4,000. We have had a few miscellaneous repair issues at the facility that have required electrical work. We are seeking to increase the not to exceed amount to cover potential costs through the end of the year.

Fund Commitment: Increasing the not to exceed amount from \$4,000 to \$14,000, a \$10,000 increase.

Board Action Request: Approval of increasing the not to exceed amount from \$4,000 to \$14,000, for an increase of \$10,000.

J. Tretter made a motion to recommend to the full Board an increase in the not to exceed amount for Gilligan Electric from \$4,000 to \$14,000, for an increase of \$10,000 as presented; the motion was seconded by D. Cunningham. Roll call resulted as follows:

J. Tretter - Yes
P. Battaglia - Yes
M. Brooks - Yes
D. Cunningham - Yes

The item was approved as presented.

3j. Executive Real Estate Agreement for Listing - First Wave's lease with the GGLDC will be expiring at the end of October 2024 at MedTech Centre. There will be approximately 4000 sq. ft. of space available.

Action Request: Staff would like to list the space with Pyramid Brokerage, as we have had success with them in the past at MedTech Centre and recently at Apple Tree Acres.

The basic terms are 6% Commission rate, 1-year exclusive listing term.

We are working on the lease agreement with them and Harris Beach and would like the board to approve the listing agreement subject to counsel final review.

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D. Cunningham made a motion to recommend to the full Board the approval of the Executive Real Estate Agreement with Pyramid Brokerage as presented subject to counsel's final review; the motion was seconded by J. Tretter. Roll call resulted as follows:

J. Tretter - Yes
P. Battaglia - Yes
M. Brooks - Yes
D. Cunningham - Yes

The item was approved as presented.

4. ADJOURNMENT

As there was no further business, P. Battaglia made a motion to adjourn at 9:45 a.m., seconded by D. Cunningham and passed unanimously.

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

	9/30/24	8/31/24	[Per Audit] 12/31/23
ASSETS:			
Cash - Unrestricted	\$ 742,908	\$ 730,273	\$ 706,434
Cash - Restricted (A) (1)	2,031,654	2,026,072	1,582,013
Cash - Reserved (B) (2)	1,637,213	1,575,033	1,336,281
Cash - Subtotal	4,411,775	4,331,378	3,624,728
Accounts Receivable	11,579	8,633	11,320
Interest Receivable	-	-	3,839
Lease Receivable GASB - Current Portion	522,953	522,953	522,953
Loans Receivable - Current Portion (3)	220,579	444,699	581,079
Other Current Assets (4)	19,020	24,575	3,335
Total Current Assets	5,185,906	5,332,238	4,747,254
Land Held for Dev. & Resale (5)	1,968,357	1,968,357	2,182,234
Buildings & Improvements	7,281,719	7,281,719	7,248,621
Furniture, Fixtures & Equipment	35,949	35,949	46,599
Total Property, Plant & Equip.	9,286,025	9,286,025	9,477,454
Less Accumulated Depreciation	(2,677,807)	(2,660,512)	(2,542,265)
Net Property, Plant & Equip.	6,608,218	6,625,513	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)	581,528	587,080	777,143
Equity Investment in Genesee Agri-Business, LLC (6)	2,562,240	2,562,240	2,562,240
Equity Investment in STAMP Sewer Works, Inc. (7)	250,000	250,000	250,000
Equity Investment in STAMP Water Works, Inc. (8)	25,000	25,000	25,000
Other Assets	5,349,158	5,354,710	5,544,773
Total Assets	17,143,282	17,312,461	17,227,216
LIABILITIES:			
Accounts Payable (9)	96,275	64,013	58,627
Unearned Revenue	0	1,040	500
Security Deposits	109,944	109,944	109,944
Loans Payable - Current Portion	92,779	92,471	90,041
Bonds Payable - Current Portion (5)	160,913	160,704	156,909
Total Current Liabilities	459,911	428,172	416,021
Loans Payable - Noncurrent Portion	1,772,031	1,779,905	2,001,898
Bonds Payable - Noncurrent Portion	2,047,070	2,061,643	2,179,828
Total Noncurrent Liabilities	3,819,101	3,841,548	4,181,726
Total Liabilities	4,279,012	4,269,720	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	\$ 10,490,758	\$ 10,669,229	\$ 10,255,957

Significant Events:

1. Cash Restricted - YTD Increase due to the receipt of the Plug Power Host Benefit payment (\$900,228).
2. Cash Reserved - Received \$50K in Workforce Dev/Ec Dev Program Support Grants from NY CGD Genesee #1 & #4.
3. Loans Receivable Current Portion - The Board approved forgiveness of Freightliner's deferred loan, in accordance with the terms & conditions of the loan agreement.
4. Other Current Assets - Prepaid General Liability, Umbrella, D&O and Cyber insurance.
5. Land Held for Dev. & Resale & Bonds Payable Noncurrent Portion - YTD proceeds from the MedTech Landing land sale at MedTech Park were applied to the USDA Bond.
6. Equity Investment in Genesee Agri-Business, LLC - Ties to corresponding GAB, LLC financial statements.
7. Equity Investment in STAMP Sewer Works, Inc. - Distributions to this entity to cover start up costs and legal fees.
8. Equity Investment in STAMP Water Works, Inc. - Distributions to this entity to cover start up costs.
9. 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.

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

	Month to Date		YTD		2024	2024
	9/30/24	9/30/23	2024	2023	Board Approved	YTD %
					<u>Budget</u>	<u>of Budget</u>
Operating Revenues:						
Grants (1)	\$ 50,000	\$ 82,363	\$ 1,002,228	\$ 1,495,660	\$ 1,822,876	55%
Interest Income on Loans	3,474	3,706	32,328	25,493	39,477	82%
Rent	62,463	64,235	562,790	566,203	767,488	73%
Common Area Fees - Parks	-	-	3,030	500	500	606%
Fees	-	-	-	4,250	-	N/A
Other Revenue	-	125	10,796	500	-	N/A
Land Sale Proceeds	-	-	200,000	-	-	N/A
Total Operating Revenues	115,937	150,429	1,811,172	2,092,606	2,630,341	
Operating Expenses:						
Operations & Maintenance	21,516	14,339	150,203	138,409	345,024	44%
Professional Services	7,262	51,991	78,623	125,947	137,168	57%
Econ. Dev. Prog. Support Grant	25,000	25,000	225,000	225,000	300,000	75%
Site Development Expense (2)	-	-	485,753	-	578,883	84%
Cost of Sales	-	-	254,423	-	-	N/A
Grant Expense (3)	224,500	37,634	226,500	715,703	869,648	26%
Real Estate Dev. (Capitalized)	-	-	-	-	20,000	0%
Buildings/Furniture/Equip. (Capitalized) (4)	-	-	33,098	-	50,000	66%
Balance Sheet Absorption	-	-	(33,098)	-	(70,000)	47%
Depreciation	17,295	16,174	146,192	145,575	193,385	76%
Total Operating Expenses	295,573	145,138	1,566,694	1,350,634	2,424,108	
Operating Revenue (Expense)	(179,636)	5,291	244,478	741,972	206,233	
Non-Operating Revenues (Expenses):						
Other Interest Income (5)	13,120	11,381	99,341	58,553	62,500	159%
Interest Expense	(11,955)	(12,290)	(109,018)	(114,771)	(144,639)	75%
Total Non-Operating Exp.	1,165	(909)	(9,677)	(56,218)	(82,139)	
Change in Net Assets	(178,471)	4,382	234,801	685,754	\$ 124,094	
Net Assets - Beginning	10,669,229	10,088,692	10,255,957	9,407,320		
Net Assets - Ending	\$ 10,490,758	\$ 10,093,074	\$ 10,490,758	\$ 10,093,074		

Significant Events:

- Grant Revenue - Workforce Dev/Ec Dev Program Support Grants from NY CGD Genesee #1 & #4 (\$50K); YTD includes Plug Power Host Community Investment Agreement (\$900K); ESL Federal Credit Union pass-through grant to BEA supporting Young Dexter STEAM Camp (\$2K); Workforce Dev/Ec Dev Program Support Grants from Oak Orchard Solar and AES Rt 5 Storage LLC (\$50K).
- 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.
- Grant Expense - The Board approved forgiveness of Freightliner's deferred loan, in accordance with the terms & conditions of the loan agreement.
- 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.
September 2024 Dashboard
Statement of Cash Flows

	September 2024	YTD
CASH PROVIDED BY OPERATING ACTIVITIES:		
Grant Income	\$ 50,000	\$ 1,002,228
Interest Income on Loans	3,474	31,828
Rental Income	58,477	562,214
Common Area Fees - Parks	-	3,030
Other Revenue	-	11,149
Net Land Sale Proceeds	-	200,000
Operations & Maintenance	(15,961)	(172,164)
Professional Services	-	(59,235)
Economic Development Program Support Grant	-	(150,000)
Site Development Expense	-	(485,753)
Cost of Land Sales	-	(40,546)
Grant Expense	-	(6,000)
Repayment of Loans	5,172	331,615
Net Cash Provided By Operating Activities	101,162	1,228,366
CASH FLOWS USED BY CAPITAL & RELATED FINANCING ACTIVITIES:		
Principal Payments on Bonds & Loans	(21,930)	(355,883)
Interest Paid on Bonds & Loans	(11,955)	(109,018)
Purchase/Improvements of Buildings/Furniture/Equipment	-	(79,598)
Net Cash Used By Capital & Related Financing Activities	(33,885)	(544,499)
CASH FLOWS PROVIDED BY INVESTING ACTIVITIES:		
Interest Income	13,120	103,180
Net Cash Provided By Investing Activities	13,120	103,180
Net Change in Cash	80,397	787,047
Cash - Beginning of Period	4,331,378	3,624,728
Cash - End of Period	\$ 4,411,775	\$ 4,411,775
RECONCILIATION OF OPERATING REVENUE (EXPENSE)		
TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Revenue (Expense)	\$ (179,636)	\$ 244,478
Adjustments:		
Depreciation Expense	17,295	146,192
Decrease in Land Held For Dev. & Resale	-	213,877
Increase in Accounts Receivable	(2,946)	(259)
Decrease (Increase) in Other Current Assets	5,555	(15,685)
Decrease in Loans Receivable	229,672	556,115
Increase in Operating Accounts Payable	32,262	84,148
Increase (Decrease) in Unearned Revenue	(1,040)	(500)
Total Adjustments	280,798	983,888
Net Cash Provided By Operating Activities	\$ 101,162	\$ 1,228,366

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

	GGLDC 9/30/24	GABLLC 9/30/24	Eliminations	COMBINED	
				9/30/24	Per Audit 12/31/2023
ASSETS:					
Cash - Unrestricted	\$ 742,908	\$ -	\$ -	\$ 742,908	\$ 3,399,008
Cash - Restricted (A)	2,031,654	-	-	2,031,654	1,582,013
Cash - Reserved (B)	1,637,213	2,860,541	-	4,497,754	1,336,281
Cash - Subtotal	4,411,775	2,860,541	-	7,272,316	6,317,302
Accts Receivable - Current	11,579	-	-	11,579	15,520
Interest Receivable - Current	-	-	-	-	8,246
Lease Receivable GASB - Current	522,953	13,946	-	536,899	536,899
Loans Receivable - Current	220,579	-	-	220,579	581,079
Other Current Assets	19,020	-	-	19,020	3,335
Total Current Assets	5,185,906	2,874,487	-	8,060,393	7,462,381
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	35,949	-	-	35,949	46,599
Total Property, Plant & Equip.	9,286,025	1,339,730	-	10,625,755	10,817,184
Less Accumulated Depreciation	(2,677,807)	-	-	(2,677,807)	(2,542,265)
Net Property, Plant & Equip.	6,608,218	1,339,730	-	7,947,948	8,274,919
Lease Receivable GASB - Noncurrent	1,930,390	94,968	-	2,025,358	2,025,358
Loans Receivable - Noncurrent	581,528	-	-	581,528	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	5,349,158	94,968	(2,562,240)	2,881,886	3,077,501
TOTAL ASSETS	17,143,282	4,309,185	(2,562,240)	18,890,227	18,814,801
LIABILITIES:					
Accounts Payable	96,275	-	-	96,275	58,627
Unearned Revenue	-	-	-	-	1,773
Customer Deposit (1)	-	40,000	-	40,000	20,000
Security Deposits	109,944	-	-	109,944	109,944
Loans Payable - Current Portion	92,779	-	-	92,779	90,041
Bonds Payable - Noncurrent Portion	160,913	-	-	160,913	156,909
Total Current Liabilities	459,911	40,000	-	499,911	437,294
Loans Payable - Noncurrent Portion	1,772,031	-	-	1,772,031	2,001,898
Bonds Payable - Noncurrent Portion	2,047,070	-	-	2,047,070	2,179,828
Total Noncurrent Liabilities	3,819,101	-	-	3,819,101	4,181,726
TOTAL LIABILITIES	4,279,012	40,000	-	4,319,012	4,619,020
DEFERRED INFLOW OF RESOURCES					
Deferred Inflow - Leases	2,373,512	108,914	-	2,482,426	2,482,426
Total Deferred Inflow of Resources	2,373,512	108,914	-	2,482,426	2,482,426
EQUITY	\$ 10,490,758	\$ 4,160,271	\$ (2,562,240)	\$ 12,088,789	\$ 11,713,355

(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 Micropolitan Area Redevelopment Loan Funds, Grant Funds.

Significant Events:

- Customer Deposit YTD - CH4Biogas.

3a

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Genesee Gateway Local Development Corp.

Dashboard - September 2024

Profit & Loss - Accrual Basis

COMBINED

	GGLDC	GABLLC	Eliminations	COMBINED	
	<u>9/30/24</u>	<u>9/30/24</u>		<u>9/30/24</u>	<u>Combined</u>
					<u>YTD</u>
<u>Operating Revenues:</u>					
Grants	\$ 50,000	\$ -	\$ -	\$ 50,000	\$ 1,002,228
Interest Income on Loans	3,474	-	-	3,474	32,328
Rent	62,463	1,299	-	63,762	616,430
Common Area Fees - Parks	-	-	-	-	12,274
Other Revenue ⁽¹⁾	-	-	-	-	30,796
Land Sale Proceeds	-	-	-	-	200,000
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Operating Revenues	115,937	1,299	-	117,236	1,894,056
<u>Operating Expenses:</u>					
Operations & Maintenance	21,516	-	-	21,516	154,799
Professional Services	7,262	-	-	7,262	78,623
Econ. Dev. Program Support Grant	25,000	-	-	25,000	225,000
Site Development Expense	-	-	-	-	485,753
Cost of Sales	-	-	-	-	254,423
Grant Expense	224,500	-	-	224,500	226,500
Buildings/Furniture/Equip. (Capitalized)	-	-	-	-	33,098
Balance Sheet Absorption	-	-	-	-	(33,098)
Depreciation	17,295	-	-	17,295	146,192
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Operating Expenses	295,573	-	-	295,573	1,571,290
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Operating Revenue (Expense)	(179,636)	1,299	-	(178,337)	322,766
<u>Non-Operating Revenues (Expenses):</u>					
Other Interest Income	13,120	6,644	-	19,764	161,686
Interest Expense	(11,955)	-	-	(11,955)	(109,018)
Total Non-Operating Rev (Exp)	1,165	6,644	-	7,809	52,668
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Change in Net Assets	(178,471)	7,943	-	(170,528)	375,434
Net Assets - Beginning	10,669,229	4,152,328	(2,562,240)	12,259,317	11,713,355
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Net Assets - Ending	\$ 10,490,758	\$ 4,160,271	\$ (2,562,240)	\$ 12,088,789	\$ 12,088,789
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

2025 GGLDC CASH FLOW Plan (Sources / Uses of Funds)

- **\$6.4M Sources of Funds (Cash)**
 - 1/1/25 Beginning Cash = \$4.4M
 - \$730K Rental Income/CAM Charges [MTC Rents, MTP land leases (including YSG / Batavia Solar), Gateway II ground lease, BETP CAM Charges]
 - \$250.5K Loan Repayments (P&I) [OCR, Ec. Dev. Loan Fund, Batavia Micropolitan Area Redevelopment Loan Fund]
 - \$93K Community Benefit Agreement – CNL Darien Lake (CBA) [Annual Payments end 2027] [BETP]
 - \$900K Host Benefit Agreement – Plug Power [Annual Payments end 2042] [STAMP]
 - \$10K NYS Office of Community Renewal (OCR) Grant – covers grant consulting services [Ops]
 - \$80K Bank Interest

- **\$1.5M Uses of Funds (Cash):**
 - **\$516K Operations** – Economic Development Program Support Grant, Workforce Development Initiatives, Audit/Tax/Grant Professional Services, Insurance, and Grant Expense for HP Hood & UNC Training
 - **\$1.8K Gateway II** – Site Maintenance, Special District Fees, and Insurance
 - **\$217.6K Buffalo East Tech Park** – Wastewater Treatment Facility Upgrades (Payments to Town of Pembroke), Gravel Driveway/Path, Site Maintenance, Special District Fees, and Insurance
 - **\$15.5K Ag Park** – Insurance, Site Maintenance
 - **\$1.9K Upstate Med & Tech Park** - Site Maintenance, Special District Fees
 - **\$739.6K Upstate MedTech Centre** – Building/Common Area Maintenance, Supplies, Utilities, Special District Fees, Property Management, Insurance, Debt Service, Brokerage Fees (Adecco, First Wave), Restriping/Resurfacing Parking Lot, Heating/Cooling Upgrades, Insurance Appraisal
 - **\$50.4K WNY STAMP** – Special District Fees, Insurance
 - **\$0K Economic Development Loan Fund**
 - **\$0K Batavia Micropolitan Area Redevelopment Loan Fund**

- **Year End Cash Balance: \$4.9M**
 - Includes \$709.4K Unrestricted Funds
 - Includes Restricted and Reserved Funds:
 - \$179.3K Reserved for Strategic Investments
 - \$1.1M Reserved Loan Funds
 - \$313.3K Restricted MTC Security Deposits & USDA Bond Sinking Fund
 - \$2.6M Restricted STAMP Host Benefit Agreement Funds

2025 GAB, LLC CASH FLOW Plan (Sources / Uses of Funds)

- **\$2.94M Sources of Funds (Cash)**
 - 1/1/25 Beginning Cash = \$2.87M (Reserved for Strategic Investments)
 - \$25.3K GVAB Park CAM Charges and Land Leases
 - \$50K Bank Interest

- **\$4.9K Uses of Funds (Cash):**
 - Special District Fees and Tax Filing Fee

- **Year End Cash Balance: \$2.936M** (Reserved for Strategic Investment Funds)

**GGLDC & GAB,LLC Consolidated
4 Year Budget 2025 - 2028**

GGLDC BOARD APPROVED: DRAFT

	2025 Budget	2026 Budget	2027 Budget	2028 Budget
¹ Revenues				
² Bank Interest	130,000	133,900	137,917	142,055
³ Loan Interest	38,092	33,241	27,994	22,571 *
⁴ Rent / CAM Charges	755,126	777,437	800,413	824,084 *
⁵ Grant CBA	993,228	993,228	993,228	900,228 *
⁶ Grants Other	10,000	0	0	0 *
⁷				
⁸ Total Revenues	1,926,446	1,937,806	1,959,552	1,888,938
⁹				
¹				
¹ Expenses				
¹ Insurance	71,120	73,254	75,451	77,715
¹⁰ Utilities	20,000	20,600	21,218	21,855
² Depreciation	193,385	193,385	193,385	193,385 *
² Economic Dev. Program Support Grant	300,000	300,000	300,000	300,000 *
² Professional Services - Operations	52,500	54,075	55,697	57,368
¹¹ Supplies	1,400	1,442	1,485	1,530
³ Site Maintenance	162,900	167,787	172,821	178,005
³ Site Development	187,478	93,000	93,000	93,000 *
³ Miscellaneous	73,350	0	0	0 *
¹² MTC Property Management	87,713	90,344	93,055	95,846
⁴ Fees & Permits	425	438	451	464
⁴ Property Taxes / Special District Fees	14,255	14,683	15,123	15,577
⁴ Interest Expense	129,390	120,395	111,090	101,195 *
¹³ Grant Expense	50,000	0	0	0 *
⁵ Real Estate Development	70,000	50,000	50,000	50,000 *
⁵ Balance Sheet Absorption	(70,000)	(50,000)	(50,000)	(50,000) *
⁵				
¹⁴ Total Expenses	1,343,916	1,129,402	1,132,776	1,135,940
¹⁵				
¹⁶ Net Income	582,530	808,403	826,776	752,998

* 3% increase for most line items 2025-2028, unless shaded.

**GGLDC Consolidated
4 Year Budget 2025 - 2028**

GGLDC BOARD APPROVED: DRAFT

	2025 Budget	2026 Budget	2027 Budget	2028 Budget
¹ Revenues				
² Bank Interest	80,000	82,400	84,872	87,418
³ Loan Interest	38,092	33,241	27,994	22,571 *
⁴ Rent / CAM Charges	729,822	751,593	774,012	797,107 *
⁵ Grant CBA	993,228	993,228	993,228	900,228 *
⁶ Grants Other	10,000	0	0	0 *
⁷				
⁸	1,851,142	1,860,462	1,880,106	1,807,324
¹¹				
¹² Expenses				
¹³ Insurance	71,120	73,254	75,451	77,715
¹⁴ Utilities	20,000	20,600	21,218	21,855
¹⁵ Depreciation	193,385	193,385	193,385	193,385 *
¹⁶ Economic Dev. Program Support Grant	300,000	300,000	300,000	300,000 *
¹⁷ Professional Services	52,500	54,075	55,697	57,368
¹⁸ Supplies	1,400	1,442	1,485	1,530
¹⁹ Site Maintenance	162,900	167,787	172,821	178,005
²⁰ Site Development	187,478	93,000	93,000	93,000 *
²¹ Miscellaneous	73,350	0	0	0 *
²² MTC Property Management	87,713	90,344	93,055	95,846
²³ Fees & Permits	400	412	424	437
²⁴ Property Taxes / Special District Fees	9,355	9,636	9,925	10,222
²⁵ Interest Expense	129,390	120,395	111,090	101,195 *
²⁶ Grant Expense	50,000	0	0	0 *
²⁷ Real Estate Development	70,000	50,000	50,000	50,000 *
²⁸ Balance Sheet Absorption	(70,000)	(50,000)	(50,000)	(50,000) *
²⁹				
³⁰ Total Expenses	1,338,991	1,124,330	1,127,551	1,130,558
³³				
³⁴ Net Income	512,151	736,132	752,555	676,766

* 3% increase for most line items 2025-2028, unless shaded.

GAB,LLC

4 Year Budget 2025 - 2028

GGLDC BOARD APPROVED: DRAFT

	2025 Budget	2026 Budget	2027 Budget	2028 Budget
¹ Revenues				
² Bank Interest	50,000	51,500	53,045	54,636
³ Loan Interest	0	0	0	0
⁴ Rent / CAM Charges	25,304	25,844	26,401	26,977*
⁵ Grants Other	0	0	0	0
⁶				
⁷ Total Revenues	75,304	77,344	79,446	81,613
⁸				
⁹				
¹⁰				
¹¹				
¹² Expenses				
¹³ Insurance	0	0	0	0
¹⁴ Utilities	0	0	0	0
¹⁵ Depreciation	0	0	0	0
¹⁶ Economic Dev. Program Support Grant	0	0	0	0
¹⁷ Professional Services	0	0	0	0
¹⁸ Supplies	0	0	0	0
¹⁹ Miscellaneous Workforce Dev.	0	0	0	0
²⁰ Site Maintenance	0	0	0	0
²¹ MTC Property Management	0	0	0	0
²² Fees & Permits	25	26	27	27
²³ Property Taxes / Special District Fees	4,900	5,047	5,198	5,354
²⁴ Interest Expense	0	0	0	0
²⁵ Site Development	0	0	0	0
²⁶ Grant Expense	0	0	0	0
²⁷ Real Estate Development	0	0	0	0
²⁸ Balance Sheet Absorption	0	0	0	0
²⁹				
³⁰ Total Expenses	4,925	5,073	5,225	5,382
³¹				
³² Net Income	70,379	72,271	74,221	76,232

* 3% increase for most line items 2025-2028, unless shaded.

Genesee Gateway Local Development Corp. (GGLDC)
Strategic Investments - SUMMARY
Fiscal Years 2024 - 2028

	2024	2025	2026	2027	2028	5 Yr Totals:	Comments	
Sources of Funds: Available for GGLDC Project Investments & Operations Support								
Opening GGLDC "Reserved for Strategic Investments" Cash Balances	3,209,374	3,378,680	2,931,897	2,669,271	2,406,948	3,209,374		
NYS Homes & Community Renewal Loan Repayments	270,410	146,800	146,800	146,800		710,810	Includes loan repayments from: HP Hood \$500K loan (March 2019); Freightliner \$234K loan (July 2019); HP Hood \$367K loan (Feb 2022); Upstate Niagara \$367K loan (Sept 2022)	
Other:								
Solar Projects - Funding for Workforce Development & Econ. Dev. Program Support	100,000					100,000	Solar projects agree to pay \$25K each at the completion of their projects to support Workforce Development Initiatives, along with the overall ED Program. 18 community solar projects have closed to date. [Funding from Oak Orchard Solar 3, LLC, AES RT 5 Storage, LLC, NY CDG Genesee 1, LLC and NY CDG Genesee 4, LLC received in 2024.]	
CH4Biogas - Right of First Refusal	40,000					40,000	Addtl \$40K deposit received June 2024	
Total Sources of Funds	3,619,784	3,525,480	3,078,697	2,816,071	2,406,948	4,060,184		
Uses: Strategic and Operational Investments:								
Real-Estate Development / Shovel-Ready Site Development Related:							5 Yr Totals:	Comments
Other Reserved Funds: Water Works Corp and Sewer Works Corp - Start-up Costs		(50,000)				(50,000)	Original placeholder of \$100K; \$50K transferred in 2023; Balance reserved.	
Other Buffalo East Tech Park - Gravel Driveway		(20,000)				(20,000)		
Subtotal Real-Estate Development / Shovel-Ready Site Development	-	(70,000)	-	-	-	(70,000)		
Economic Development Program Support:								
Economic Development Program Grant (GGLDC to GCEDC)	(300,000)	(300,000)	(300,000)	(300,000)	(300,000)	(1,500,000)	Approvals necessary for 2025 forward.	
LDC Operations Costs & Site Infrastructure Maint. (excluding MTC)	(83,000)	(117,350)	(120,000)	(120,000)	(120,000)	(560,350)	Memo Only - Funds insurance, mowing, Fire District fees/property taxes, GGLDC audit fee, legal fees and other misc operating expenses (unreimbursable H. Sichernan services, GABLLC operating expenses, etc).	
Subtotal Investments in Economic Development Program	(383,000)	(417,350)	(420,000)	(420,000)	(420,000)	(2,060,350)		
Strategy, Workforce Development & Entrepreneurship:								
Training - HP Hood & Upstate Niagara		(50,000)				(50,000)	WFD Agreements with HP Hood and Upstate Niagara approved 3.25.21	
Workforce Development Reserve	(53,904)	(66,557)				(120,461)	Reserve of Cash on Hand from Solar Project funding committed to WFD (plus interest earned on reserved cash); 18 community solar projects have closed to date; funding from seven committed to WFD. Includes training for Seneca Nation members.	

Genesee Gateway Local Development Corp. (GGLDC)
Strategic Investments - SUMMARY
Fiscal Years 2024 - 2028

	2024	2025	2026	2027	2028	5 Yr Totals:	Comments
Workforce Development Consultant		(30,000)	(30,000)	(30,000)	(30,000)	(120,000)	Placeholder for continued efforts for workforce development consultant as critical pillar to GCEDC/GGLDC Tech Based Economic Development Model. 2024 services are being contracted by the GCEDC, utilizing dedicated funds from Genesee County.
Subtotal Workforce Development & Entrepreneurship Investments	\$ (53,904)	\$ (146,557)	\$ (30,000)	\$ (30,000)	\$ (30,000)	(290,461)	
Other Cash Activity:							
Common Area Charges - GVAB & BETP	\$ 16,473	\$ 11,324	\$ 11,574	\$ 11,877	\$ 12,196	63,444	2024 includes additional payments received from HP Hood.
Land Lease Payments	\$ 74,145	\$ 29,000	\$ 29,000	\$ 29,000	\$ 29,000	190,145	2024 includes HP Hood lease for temporary storage and parking.
Internal (Borrowings) Repayments - thru date of worksheet							
Interest Income	\$ 105,182					105,182	
Subtotal - Other	\$ 195,800	\$ 40,324	\$ 40,574	\$ 40,877	\$ 41,196	\$ 358,771	
Total Uses of Funds	(241,104)	(593,583)	(409,426)	(409,123)	(408,804)	(2,062,040)	
Cumulative Year-End Cash Balances	3,378,680	2,931,897	2,669,271	2,406,948	1,998,144	1,998,144	
Opportunities:							
Genesee County Chamber of Commerce CDBG Loan Portfolio - Additional Repayments (Principal balance @ 9.30.24 - Kanaley \$9,260 (in collections))							
Additional Solar Projects w/ \$25K each committed to Workforce Development & Ec. Dev. Program Support (currently 2 approved, but not yet closed)							
Land Sales:							
- GVAB - CH4Biogas - 20 acres (\$1M)							
- BPP - Fancher - 15 acres							
Note - Plug Power Community Investment Agreement - \$900K/Year for 20 years - First payment received January 2023 [tracked separately]; 2024 payment received in June.							

GGLDC

Lezlie Farrell – Finance & Operations
Audit & Finance Committee Report
October 29, 2024

Commercial Cleaning Services of WNY, Inc. (Commercial Floor Maintenance Proposal)

Discussion: Commercial Cleaning Services of WNY, Inc. (CCS) has provided the GGLDC with a quote for waxing of the floors and cleaning of the tile/grout in the bathrooms. Although this expenditure is not over \$5,000, total payments to this company will be over \$5,000 when combined with the general cleaning services that the company already provides. The GGLDC approved a contract with Commercial Cleaning Services of WNY, Inc. for general cleaning services not to exceed \$16,500 for 2024. These additional services are \$1,199.64 (floor waxing) and \$595 (tile/grout cleaning). We have requested quotes for these services in the past, but this company has been offering a lower rate as a current customer. The quoted floor waxing rate stayed the same as last year and the tile/grout cleaning increased from \$495.

Fund commitment: Total expenditure for these services should not exceed \$1,800 and will be paid out of the GGLDC, under MedTech Center site maintenance. The total amount for these services is lower than what was budgeted for 2024.

Board action request: Approval of the floor maintenance proposal with Commercial Cleaning Services with of WNY, Inc. not to exceed \$1,800.

4 Associate Drive
Oneonta, New York 13820
Phone: (607) 432-8700
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www.mmscpas.com



MOSTERT, MANZANERO & SCOTT, LLP
Certified Public Accountants

Deborah L. Mostert, CPA
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Mary E. Manzanero, CPA
David E. Brownell, CPA
Jason L. Waite, CPA

October 2, 2024

Board of Directors and
Lezlie Farrell
Genesee Gateway Local Development Corporation
99 MedTech Drive, Suite 106
Batavia, NY 14020

We are pleased to confirm our understanding of the services we are to provide for the Genesee Gateway Local Development Corporation (GGLDC) for the year ended December 31, 2024.

Audit Scope and Objectives

We will audit the financial statements of the GGLDC, which comprise of the consolidated statement of net position as of December 31, 2024, and the related consolidated statement of revenues, expenses and changes in net position and consolidated statement of cash flows, including the disclosures to the financial statements, as of and for the year then ended. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the GGLDC's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to the GGLDC's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

- Management's Discussion and Analysis

We have also been engaged to report on supplementary information other than RSI that accompanies GGLDC's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS, and will provide an opinion on it in relation to the financial statements as a whole:

- Consolidating Statement of Net Position;
- Consolidating Statement of Revenues, Expenses and Changes in Net Position;
- Combining Statement of Net Position;
- Combining Statement of Revenues, Expenses and Changes in Net Position; and
- Schedule of Expenditures of Federal Awards.

Furthermore, we have been engaged to report on GGLDC's Compliance with the New York State Comptroller's Investment Guidelines for Public Authorities and Section 2925 of the New York State Public Authorities Law. We will issue a separate auditors' report which will provide an opinion on GGLDC's Compliance with Investment Guidelines for Public Authorities.

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error; and issue an auditors' report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP, and report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements. The objective also includes reporting on –

- Internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.
- Internal controls over compliance related to major programs and an opinion (or disclaimer of opinion) on compliance with federal statutes, regulations, and the terms and conditions of federal awards that could have a direct and material effect on each major program in accordance with the Single Audit Act Amendments of 1996 and Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Auditors' Responsibilities for the Audit of the Financial Statements

We will conduct our audit in accordance with GAAS; the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the Single Audit Act Amendments of 1996; and the provisions of the Uniform Guidance, and will include test of accounting records, a determination of major program(s) in accordance with Uniform Guidance, and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.

Because of the inherent limitations of an audit, combined with the inherent limitation of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements or noncompliance may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors' is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the GGLDC's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement.

Our audit of financial statements does not relieve you of your responsibilities.

Audit Procedures – Internal Control

Our audit will include obtaining an understanding of the GGLDC and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements whether due to error or fraud, and to design and perform audit procedures responsive to those risk and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal controls. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

As required by the Uniform Guidance, we will also perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to the Uniform Guidance.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, *Government Auditing Standards*, and the Uniform Guidance.

Audit Procedures - Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of GGLDC's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

The Uniform Guidance requires that we also plan and perform the audit to obtain reasonable assurance about whether the auditee has complied with federal statutes, regulations, and the terms and conditions of federal awards applicable to major programs. Our procedures will consist of tests of transactions and other applicable procedures described in the OMB *Compliance Supplement* for the types of compliance requirements that could have a direct and material effect on each of the GGLDC's major programs. For federal programs that are included in the Compliance Supplement, our compliance and internal control procedures will relate to the compliance requirements that the Compliance Supplement identifies as being subject to audit. The purpose of these procedures will be to express an opinion on the GGLDC's compliance with requirements applicable to each of its major programs in our report on compliance issued pursuant to the Uniform Guidance.

Other Services

We will assist in preparing the financial statements, schedule of expenditures of federal awards, and related notes of the GGLDC in conformity with U.S. generally accepted accounting principles and the Uniform Guidance based on information provided by you. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, schedule of expenditures of federal awards, and related notes services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

You agree to assume all management responsibilities for the financial statements, schedule of expenditures of federal awards, and related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, the schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, the schedule of expenditures of federal awards and related notes prior to their issuance and have accepted responsibility from them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Responsibilities of Management for the Financial Statements

Our audit will be conducted on the basis that you acknowledge and understand your responsible for (1) designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, including internal controls over federal awards, and for evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; (2) following laws and regulations; (3) ensuring that there is reasonable assurance that government programs are administered in compliance with compliance requirements; and (4) ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements.

You are also responsible for the selection and application of accounting principles; for the preparation and fair presentation in the financial statements, schedule of expenditures of federal awards, and all accompanying information in conformity with the statutory basis of accounting, and for compliance with applicable laws and regulations (including federal statutes) and the provisions of contracts and grant agreements (including award agreements). Your responsibilities also include identifying significant contractor relationships in which the contractor has responsibility for program compliance and for the accuracy and completeness of that information.

Management is also responsible for making all financial records and related information available to us, and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) access to personnel, accounts, books, records, supporting documentation, and other information as needed to perform an audit under the Uniform Guidance, (3) additional information that we may request for the purpose of the audit, and (4) unrestricted access to persons within the GGLDC from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about the financial statements; schedule of expenditures of federal awards; federal award programs; compliance with laws, regulations, contracts, and grant agreements; and related matters.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the GGLDC complies with applicable laws, regulations, contracts, agreements, and grants. Management is also responsible for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, contracts, and grant agreements, or abuse that we report. Additionally, as required by the Uniform Guidance, it is management's responsibility to evaluate and monitor noncompliance with federal statutes, regulations, and the terms and conditions of federal awards; take prompt action when instances of noncompliance are identified including noncompliance identified in audit findings; promptly follow up and take corrective action on reported audit findings; and prepare a summary schedule of prior audit findings and a separate corrective action plan. The summary schedule of prior audit findings should be available for our review.

You are responsible identifying all federal awards received and understanding and complying with the compliance requirements and for the preparation of the schedule of expenditures of federal awards (including notes and noncash assistance received, and COVID-19 related concepts, such as lost revenues, if applicable) in conformity with the Uniform Guidance. You agree to include our report on the schedule of expenditures of federal awards in any document that contains and indicates that we reported on the schedule of expenditures of federal awards.

You also agree to include the audited financial statements with any presentation of the schedule of expenditures of federal awards that include our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for the presentation of the schedule of expenditures of federal awards in accordance with the Uniform Guidance, (2) you believe the schedule of expenditures of federal awards, including its form and content, is stated fairly in accordance with the Uniform Guidance, (3) the methods of measurement or presentation have not changed from those used in the prior period; and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the schedule of expenditures of federal awards.

You are also responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with the statutory basis of accounting. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for the presentation of the supplementary information in accordance with the other basis of accounting; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with the other basis of accounting, (3) the methods of measurement or presentation have not changed from those used in the prior period (or if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying and providing report copies of previous financial audits, attestation engagements, performance audits, or other studies related to the objectives discussed in the Audit Scope and Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions for the report, and the timing and format for providing that information.

You agree to assume all management responsibilities relating to the financial statements, schedule of expenditures of federal awards, related notes, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements, schedule of expenditures of federal awards, and related notes and that you have reviewed and approved the financial statements, schedule of expenditures of federal awards, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Engagement Administration, Fees and Other

We understand that your employees will prepare all cash, accounts receivable, or other confirmations we request and will locate any documents selected for testing.

At the conclusion of the engagement, we will complete the appropriate sections of the Data Collection Form that summaries our audit findings. It is management's responsibility to electronically submit the reporting package (including financial statements, schedule of expenditures of federal awards, summary schedule of prior audit findings, auditors' reports, and a corrective action plan) along with the Data Collection Form to the federal audit clearinghouse. We will coordinate with you the electronic submission and certification. The Data Collection Form and the reporting package must be submitted within the earlier of 30 calendar days after receipt of the auditors' report or nine months after the end of the audit period, unless a longer period is agreed to in advance by the cognizant or oversight agency for audits.

We will provide copies of our reports, upon request; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Mostert, Manzanero & Scott, LLP and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to your funding sources or the U.S. Government Accountability Office for the purpose of quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. If requested, access to such audit documentation will be provided under the supervision of Mostert, Manzanero & Scott, LLP personnel. Furthermore, upon request we may provide photocopies of selected audit documentation to your funding source, the aforementioned parties. Those parties may intend, or decide, to distribute the photocopies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of six years after the report release is issued or for any additional period requested by the cognizant agency, oversight agency or pass-through entity. If we are aware that a federal awarding agency, pass-through entity, or auditee is contesting an audit finding, we will contact the party (ies) contesting the audit finding for guidance prior to destroying the audit documentation.

Jason L. Waite, CPA is the engagement partner and is responsible for supervising the engagement and signing the report or authorizing another individual to sign the report.

We estimate our fee for these services to be \$10,300 for the audit report. If a single audit is required, the fee is estimated to be \$12,800. This estimate is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary due to unforeseen circumstances which occur which would cause an increase in the scope of the audit or an unexpected increase in our audit work, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs. Invoices are due upon presentation. Normally, fees will be billed on a monthly basis as work progresses.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report, any letter of comment, and any subsequent peer review and letters of comment received during the period contract. Our 2021 peer review report accompanies this letter.

If you intend to publish or otherwise reproduce the financial statements and make reference to our Firm name, you agree to provide us with printer's proofs or masters for our review and approval before printing. You also agree to provide us with a copy of the final reproduced material for our approval before it is distributed. It is agreed by Genesee Gateway Local Development Corporation and Mostert, Manzanero & Scott, LLP or any successor in interest that no claim by or on behalf of either party arising out of services rendered pursuant to this agreement shall be initiated more than three years after the date of the review report or one year after the date of termination of Mostert, Manzanero & Scott, LLP's services.

Reporting

We will issue written reports upon completion of our Single Audit. Our reports will be addressed to management of the GGLDC. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it may be necessary for us to modify our opinions or add an emphasis-of-matter or other-matter paragraph to our auditors' report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or withdraw from this engagement.

The *Government Auditing Standards* report on internal control over financial reporting and on compliance and other matters will state that (1) the purpose of the report is solely to describe the scope of testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance, and (2) the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The Uniform Guidance report on internal control over compliance will state that the purpose of the report on internal control over compliance is solely to describe the scope of testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Both reports will state that the report is not suitable for any other purpose.

We appreciate the opportunity to be of service to the Genesee Gateway Local Development Corporation and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Sincerely,

Mostert, Manzanero & Scott, LLP

Mostert, Manzanero & Scott, LLP

RESPONSE:

This letter correctly sets forth the understanding of the Genesee Gateway Local Development Corporation.

By: _____
Board Member Title Date

By: _____
Lezlie Farrell Title Date



Report on the Firm's System of Quality Control

November 19, 2021

To the Owners
Mostert, Manzanero & Scott, LLP
and the PICPA Peer Review Program

We have reviewed the system of quality control for the accounting and auditing practice of Mostert, Manzanero & Scott, LLP (the firm) in effect for the year ended May 31, 2021. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at www.aicpa.org/prsummary. The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Mostert, Manzanero & Scott, LLP in effect for the year ended May 31, 2021, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Mostert, Manzanero & Scott, LLP has received a peer review rating of *pass*.

Love, Cody & Company, CPAs, P.C.

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