

Glenville Local Development Corporation

2018 Summary of Operations

It has been the practice of the GLDC Chair to make an annual report to the Supervisor and the Town Board on the highlights and events that have occurred during the past year. Outlined herein are a number of such activities and actions undertaken by the GLDC Board and committees.

FINANCES

The GLDC was capitalized in 2012 with an initial funding of \$565,000. Operating expenses since inception have amounted to approximately \$75,000, principally for legal, audit and insurance expenses. To-date the Corporation has loaned \$531,000, those loans are currently generating annual repayment proceeds of over \$73,000. During 2018 three loans were executed at a face value of \$98,000. All existing loans are current and payments are being received timely. Currently the Loan Repayment Account balance is \$165,000. This is significant as all of those funds are now unrestricted by HUD federal guidelines and can be used for Glenville economic and community development projects that the GLDC deems appropriate. The board is also currently examining investment opportunities for a portion of those funds. Goals for this will include flexibility in the event a loan opportunity arises and a reserve will be established to cover operating expenses.

All the applicable New York State regulations and filing requirements will be completed shortly for the year 2018. The 2017 audit of the GLDC finances was completed timely by our auditors, Bryans and Gramulgia, CPA's and no significant variances or concerns were noted and they

concluded that the GLDC is operating in full conformance with applicable NYS guidelines and testing as well as generally accepted accounting guidelines. Their Audit findings stated that” The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*.” The filing of Form 990 which is required for our 501(c)3 status as a non-profit entity was also completed timely.

OPERATIONS

During 2018 we implemented several procedures and controls designed to strengthen and improve our operating and lending operations. The following describes some of the activities undertaken:

Audit & Finance

The Audit & Finance Committee conducted a review of the existing contracts for the Errors and Omissions /Liability Policies to determine if a re-bid of this package was warranted. It was determined that the level of service being provided by the agent, Marshall & Sterling is fully acceptable and that the premiums are within market rates for comparable organizations and the risk involved. It was the recommendation of the committee that rebid was not necessary.

The Committee also gave consideration as to whether it was appropriate to rebid the contract for legal services. Pursuant to the existing GLDC Procurement Policy it was determined that a rebid was not necessary given the complexity of governing law and the extremely competent level of services being provided by Nolan & Heller, existing counsel.

Governance Committee

A review of the cyber security process and practices was conducted and it was determined that existing practices and information handling are adequate, personal information is protected, kept in locked files and destroyed when no longer needed.

Loan Review Committee

The committee reviewed the existing loan rate structure and recommended that future loan offers be increased to reflect current market conditions. Offer terms to potential borrowers will be adjusted accordingly.

BOARD of DIRECTORS

Nominations for the 2019 Board were as follows:

Chairman – Scott Osswald

Co-Chairman- Brian Nissley

Treasurer- Richard Usas

Secretary- Tracy Conley

Director – Brian Craig

Ex Officio- Jim Martin

Several of the current directors have reached their term limits and have agreed to be reassigned to different positions on the board. The GLDC By-Laws were revised during 2018 to permit this in anticipation of the forthcoming term limitations. The 2019 slate of Directors reflects the changes that were precipitated by this regulation.

SUMMARY

2019 will be a year of transition for the GLDC as we have several replacements in Officer positions that will be learning the policies and practices of their new assignments. Emphasis on the use of our internally developed funds will enable us to identify opportunities to become an even stronger resource for retaining and increasing employment opportunities, encouraging expansion and growth of existing businesses and attracting new investment to the Town of Glenville. Town Board Members are encouraged to relate any opportunities that they observe that might enable us to provide new loans and generate additional funding and increase our lending base. We appreciate the support that the town has provided during 2018 in making it another successful year for us. The 2019 Board meeting schedule and meeting minutes are now available on our website.