

Town Board 12/7/16

Talking Points

Current Financial condition as of October 31, 2016:

Current bank balances:

HUD Loan funding

- First National Bank of Scotia \$79,587
- Berkshire Bank \$113,572

Unrestricted

- First National Bank of Scotia \$59,360

Loan Receivables \$276, 537

Current loans are: River Stone Manor, Thrive Chiropractic, Carousel Equestrian Boutique and the Glass Tavern.

All loans are current and employment goals are being met.

Liabilities and Equity

Liabilities \$403,381

This represents the refundable advance used to establish the LDC.

Retained earnings \$127,133

The 2017 operating budget anticipates loan income of \$15,557 and operating expenses of \$14,135 resulting in a slight profit of \$1,422.

2016 actual profit is estimated to be approximately \$2,000 .

NYS Financial reporting requirements are current for the year 2016. A bookkeeper was retained in December 2015 and financial reporting has been greatly improved as a result.

Treasurer Conley recommended that the books be maintained on an accrual basis and this has improved the quality of the reporting on current revenues and expenses.

During 2016 an RFP was issued for the Audit and Accounting Services contract. Two responses were received and Bryans Gramuglia, the current firm was the successful bidder with a substantial reduction in the fee structure. 2016 fees were \$6,250; the 2017 fee will be \$4,750. Their 2016 fee included a substantial amount of hours required to reconcile bank and expense records that will be eliminated or reduced by the controls that have now been established by the Treasurer. The 2016 Audit stated that the financial statements fairly represented the financial position of the GLDC.

The liability insurance package was also re-bid and the contract was awarded to Selective Insurance with no increase in premiums. Current rates are:

General Liability and Crime \$1,192

Directors and Officers liability \$1,293

This rate will be in effect for two years.

Board Nominations were held at the Annual Meeting on November 1 and the Board positions were accepted as follows:

Chairperson- Richard Usas

Vice Chair-Scott Osswald

Treasurer- Tracy Conley

Secretary- Brian Nissley

An open position was created by resignation of Director David Kramer resulting from his move to Saratoga County. An offer has been extended to a

replacement and will be voted upon at the December meeting. The Board extends our sincere appreciation to Dave for his continued and valued support for the past four years. The GLDC is extremely fortunate to have the support of this dedicated group of volunteers, their contribution and the hours that they give to the community are invaluable.

An initiative was started this year to meet with the senior loan officers at the local banks to acquaint them with a new program that we designed to encourage local businesses to participate in the small loan availability. The application process was streamlined to simplify the information required from applicants for consideration. The reception from the banks has been positive and we are hopeful that more small businesses will be encouraged to come forward and apply.

We especially are seeking those applicants whose plans may qualify but are apprehensive about using traditional commercial bank lending. Another benefit could be accomplished by jointly packaging loans with the banks thereby enabling the GLDC to expand the loan program capacity. The challenge remains finding candidates that can meet the HUD lending guidelines established at the origination of the GLDC that carry specific job creation for loan approval. We are planning new marketing efforts in 2017 to attract qualified candidates.

We thank the board for the opportunity to present this report and questions are invited. A print version will be posted on our website