

**CIVIC CENTER
MONROE COUNTY**



LOCAL DEVELOPMENT CORPORATION

**2012
ANNUAL REPORT**

CIVIC CENTER MONROE COUNTY LOCAL DEVELOPMENT CORPORATION ANNUAL REPORT – 2012

CORPORATION HISTORY

Civic Center Monroe County Local Development Corporation (“Civic Center”) is a Not-for-Profit Local Development Corporation pursuant to Sections 402 and 1411 of the Not-for-Profit Corporation Law of the State of New York. It was established in November 2002 and is governed by a Board of Directors.

Civic Center purchased the Civic Center Garage in 2003 and contracts with a service provider for its day to day operations. In addition, Civic Center manages the operation of several surface lots. Thirty five (35) percent of all garage revenue in excess of \$1,000,000 is returned to Civic Center.

Civic Center’s mailing address is 8100 CityPlace, 50 West Main Street, Rochester, New York. Its website can be viewed at www.civiccenterldc.com.

DESCRIPTION OF CORPORATION AND BOARD

Civic Center has a Board of Directors comprised of the County Executive (Designee) and three (3) members appointed by the County Executive of Monroe County. Regular meetings are held quarterly with the annual meeting in March. Special Meetings are conducted on an as needed basis. Standing Committees include an Audit Committee, Governance Committee, and Finance Committee. Meeting minutes and attendance can be found on the Corporation’s website. A summary of the Board’s annual self evaluation can be found in Exhibit A.

Civic Center had no employees during 2012.

MISSION

Civic Center Monroe County LDC operates and manages parking facilities in downtown Rochester, New York. Our mission is to provide public parking to customers and to manage our operations efficiently in accordance with all legal requirements.

The performance measure report is attached to this report as Exhibit B.

OPERATIONS AND ACCOMPLISHMENTS

A summary of key activities and accomplishments in 2012 are listed below:

1. Total revenue from garage operations for 2012 was \$492,099, representing a slight decrease in revenue of approximately 2.8% from the previous year. The primary reason for this decrease is attributable to the ongoing renovations at the Civic Center Garage. The revenues, however, still exceeded the amount budgeted.

2. Adopted or re-adopted all policies and procedures including:

- Business and Travel Expense
- Code of Ethics
- Credit Card
- Freedom of Information
- Internal Controls and Financial Accountability
- Investment
- Non Collusion
- Public Comment Period
- Purchasing
- Responsibility of Members and Officers
- Tracking Inventory and Disposal of Assets
- Whistleblower

3. The Contractor selected by Civic Center in 2011 to perform renovations to the Civic Center Garage commenced work and completed the following in 2012:

Lower level:

- Overhead Concrete Repairs - underside of upper level concrete deck
- Slab Repairs – lower level floor slab and at new drainage system installations
- Drainage Repairs – De-scaled all underground piping & downspouts, replace all damaged/cracked piping, removed & replaced all damaged/non-functioning drains and cleanout, added additional new cleanouts to insure full drainage line access for future cleaning, cleared & cleaned entire garage drainage system & discharge structures to sumps, and videoed lines
- Ramp Repairs – concrete repairs and installation of traffic topping

Upper level:

- Drain Replacement – Removed non-functioning drains, installed new, and pour replacement concrete floor
- Drain line Replacement – Remove all most of the deteriorated/constricted drain lines and down spouts connecting the upper level drains to the underground drainage system and install new PVC drain lines & downspouts

- New Expansion Joint System
- Partial Depth Concrete Repairs – These repairs will continue into 2013
- Protected Waterproof Membrane System (PWMS) – Remove existing failed Waterproof Membrane & Asphaltic protection traffic surface. Installed new Waterproofing & Protection Surface. This work will continue into 2013.
- Moisture Protection – Removed & replaced failed joints and repaired cracks.

It is anticipated that the renovations will be completed in the summer of 2013.

4. Updated the Corporation's website and filed reports with the State Budget office.

FINANCIAL REPORTS

The audited financials and Independent Auditors' Report are attached to this report.

SCHEDULE OF BONDS AND NOTES

Civic Center had no Bonds or Notes payable as of December 31, 2012.

FINANCIAL PLAN

A multi-year operating budget is submitted to the Board each year for adoption. The most recent adopted budget is presented in Exhibit C.

LISTING OF REAL ASSETS AND REAL ASSETS DISPOSED OF OR INTENDED TO BE DISPOSED OF

Civic Center owns the Civic Center Parking Garage in Rochester, New York. The Garage and related land was valued at \$6,200,718, net of depreciation as of December 31, 2012. Civic Center did not dispose of any real property in 2012.

CODE OF ETHICS

The Code of Ethics for Civic Center is attached as Exhibit D to this report.

PROCUREMENT REPORT

The Procurement Report for 2012 is included in this report as Exhibit E.

**ASSESSMENT OF THE EFFECTIVENESS OF INTERNAL CONTROL
STRUCTURE AND PROCEDURES**

Exhibit F to this report assesses the effectiveness of the internal control structure and procedures of Civic Center as of December 31, 2012.

EXHIBIT A

EXHIBIT A

CIVIC CENTER MONROE COUNTY

Summary Results of Confidential Evaluation of Board Performance - 2012

Criteria	Agree	Somewhat Agree	Somewhat Disagree	Disagree
	#	#	#	#
Board members have a shared understanding of the mission and purpose of the Authority.	4			
The policies, practices and decisions of the Board are always consistent with this mission.	4			
Board members comprehend their role and fiduciary responsibilities and hold themselves and each other to these principles.	4			
The Board has adopted policies, by-laws, and practices for the effective governance, management and operations of the Authority and reviews these annually.	4			
The Board sets clear and measurable performance goals for the Authority that contribute to accomplishing its mission.	4			
The decisions made by Board members are arrived at through independent judgment and deliberation, free of political influence or self-interest.	4			
Individual Board members communicate effectively with executive staff so as to be well informed on the status of all important issues.	4			
Board members are knowledgeable about the Authority's programs, financial statements, reporting requirements, and other transactions.	4			
The Board meets to review and approve all documents and reports prior to public release and is confident that the information being presented is accurate and complete.	4			
The Board knows the statutory obligations of the Authority and if the Authority is in compliance with state law.	4			
Board and committee meetings facilitate open, deliberate and thorough discussion, and the active participation of members.	4			
Board members have the opportunity to research, discuss, question and prepare before decisions are made and votes taken.	4			
Individual Board members feel empowered to delay votes, defer agenda items, or table actions if they feel additional information or discussion is required.	4			
The Board exercises appropriate oversight of the operation.	4			
The Board has identified the areas of most risk to the Authority and works with management to implement risk mitigation strategies before problems occur.	4			
Board members demonstrate leadership and vision and work respectfully with each other.	4			

Date Completed: March 28, 2012

Civic Center Monroe County LDC

Summary Results of Confidential Evaluation of Board Performance - 2012

Criteria	Agree #	Somewhat Agree #	Somewhat Disagree #	Disagree #
Board members have a shared understanding of the mission and purpose of the Authority.	4			
The policies, practices and decisions of the Board are always consistent with this mission.	4			
Board members comprehend their role and fiduciary responsibilities and hold themselves and each other to these principles.	4			
The Board has adopted policies, by-laws, and practices for the effective governance, management and operations of the Authority and reviews these annually.	4			
The Board sets clear and measurable performance goals for the Authority that contribute to accomplishing its mission.	4			
The decisions made by Board members are arrived at through independent judgment and deliberation, free of political influence or self-interest	4			
Individual Board members communicate effectively with executive staff so as to be well informed on the status of all important issues.	4			
Board members are knowledgeable about the Authority's programs, financial statements, reporting requirements, and other transactions.	4			
The Board meets to review and approve all documents and reports prior to public release and is confident that the information being presented is accurate and complete.	4			
The Board knows the statutory obligations of the Authority and if the Authority is in compliance with state law.	4			
Board and committee meetings facilitate open, deliberate and thorough discussion, and the active participation of members.	4			
Board members have sufficient opportunity to research, discuss, question and prepare before decisions are made and votes taken.	4			
Individual Board members feel empowered to delay votes, defer agenda items, or table actions if they feel additional information or discussion is required.	4			
The Board exercises appropriate oversight of the operation.	4			
The Board has identified the areas of most risk to the Authority and works with management to implement risk mitigation strategies before problems occur.	4			
Board members demonstrate leadership and vision and work respectfully with each other.	4			

Name of Authority: Aaron J. Spicano

Date Completed: 3/18/13

EXHIBIT B

EXHIBIT B

**CIVIC CENTER MONROE COUNTY
PERFORMANCE MEASURES REPORT**

**Performance Measures Rating Sheet
2012**

Civic Center Mission Statement: “Civic Center Monroe County LDC operates and manages parking facilities in downtown Rochester, New York. Our mission is to provide public parking to customers and to manage our operations efficiently in accordance with all legal requirements.”

Items Evaluated:	Possible Points	Rating
1. Regular Budgetary Review and Reporting (“manage our operations efficiently”)		
• Regular Budget Update Reports submitted to Board	10	10
• Quality of Reports	10	9
• Performance to Budget	15	14
2. Approvals of Policies and Procedures (“in accordance with all legal requirements.”)		
• Written Policies and Procedures	10	10
• Board Approval and Annual Review	10	10
3. Operational Policy Analysis (“in accordance with all legal requirements.”)		
• Procurements, Checks, Invoices	10	10
• Audit Results	15	15
4. Required Reporting (“in accordance with all legal requirements.”)		
• Board approvals and timely submission of the following: Annual Report; Procurement Report; Investment Report; Budget and Audit.	<u>20</u>	<u>20</u>
TOTAL	100	98

EXHIBIT C

EXHIBIT C

**CIVIC CENTER MONROE COUNTY LOCAL DEVELOPMENT CORPORATION
Financial Plan**

REVENUE & FINANCIAL SOURCES	Adopted Budget 2012	Actual 2012	Adopted Budget 2013	Proposed 2014	Proposed 2015	Proposed 2016
Operating Revenues						
Charges for services	695,000	712,467	705,530	915,530	915,530	915,530
Rental & financing income	0	0	0	0	0	0
Other operating revenues	340,000	340,158	340,000	340,000	340,000	340,000
Total Operating Revenues	1,035,000	1,052,625	1,045,530	1,255,530	1,255,530	1,255,530
Nonoperating Revenues						
Investment Earnings	1,200	1,092	600	600	600	600
State subsidies/grants	0	0	0	0	0	0
Federal subsidies/grants	0	0	0	0	0	0
Municipal subsidies/grants	0	0	0	0	0	0
Public authority subsidies	0	0	0	0	0	0
Other nonoperating revenues	0	0	0	0	0	0
Total Nonoperating Revenues	1,200	1,092	600	600	600	600
Proceeds from the issuances of debt	0	0	0	0	0	0
Total Revenues & Financing Sources	1,036,200	1,053,717	1,046,130	1,256,130	1,256,130	1,256,130
EXPENDITURES						
Operating Expenditures						
Salaries and wages	0	0	0	0	0	0
Other employee benefits	0	0	0	0	0	0
Professional Service contracts	34,500	30,679	35,500	35,500	35,500	35,500
Supplies and materials	0	0	0	0	0	0
Other operating expenditures	1,001,700	756,399	910,630	1,013,946	1,013,946	1,011,946
Total Operating Expenditures	1,036,200	787,078	946,130	1,049,446	1,049,446	1,049,446
Nonoperating Expenditures						
Payment of principal on bonds and financing arrangements	0	0	0	108,758	116,330	124,430
Interest and other financing charges	0	0	0	97,926	90,354	82,254
Subsidies to other public authorities	0	0	0	0	0	0
Capital asset outlay	0	279,747	100,000	0	0	0
Grants and donations	0	0	0	0	0	0
Other nonoperating expenditures	0	0	0	0	0	0
Total Nonoperating Expenditures	0	279,747	100,000	206,684	206,684	206,684
Total Expenditures	1,036,200	1,066,825	1,046,130	1,256,130	1,256,130	1,256,130
Capital Contributions	0	0	0	0	0	0
Excess (deficiency) of revenues and capital contributions over expenditures	0	(13,108)	0	0	0	0

Negative positions noted in the bottom line are a function of the PARIS reporting format, not a funding deficiency
The format does not allow for the presentation of the planned use of fund balance cash reserves to offset capital expenditures.

EXHIBIT D

EXHIBIT D

**CIVIC CENTER MONROE COUNTY
LOCAL DEVELOPMENT CORPORATION**

Code of Ethics Policy

**ARTICLE I
Purpose**

Civic Center Monroe County Local Development Corporation (“Corporation”) must conduct its operations in a manner that best serves the interest of its customers and the general public. The Corporation expects all members, officers and employees to observe high ethical standards of conduct in the performance of their duties, comply and cause the Corporation to comply with all laws and regulations governing business transactions, and use and cause the Corporation to use its funds and assets only for legal and appropriate purposes.

**ARTICLE II
Policies**

1. Incorporation of Public Officers Law Section 74. As required by Public Authorities Law Section 2594 the provisions of Public Officers Law Section 74 (code of ethics) are incorporated herein, and each member, officer and employee shall fully comply with the provisions set forth therein. A copy of Section 74 is attached hereto.

2. Gifts and Favors. No member, officer or employee shall, directly or indirectly solicit or accept any gifts, entertainment, discounts, services, loans or anything of value totaling \$75 or more in any calendar year from suppliers, significant commercial customers, or other persons with whom the Corporation does business or from any other person or entity under circumstances in which it could reasonably be inferred that the gift was intended to influence said member, officer, or employee or could reasonably be expected to influence said member, officer or employee in the performance of his or her official duties or was intended as a reward for any official action on his or her part.

3. Borrowing Funds. No member, officer or employee shall borrow money from the Corporation, suppliers, significant commercial customers, or individuals of a firm with whom the Corporation does business (loans or mortgages from banks or individuals doing business with the Corporation are exempted if the terms are at current rates and the customary collateral for such transactions is provided).

4. Acquiring Interest in Real Estate. No member, officer or employee shall acquire an interest in real estate in which it is known that the Corporation has a current or anticipated future interest.

5. Soliciting Funds. No member, officer or employee shall solicit funds or other items of value from Corporation vendors, suppliers or consultants for oneself or to benefit any organization, club or person, whether such other persons or entities are charitable, religious or profit making.

6. Designation of Bank as Depository. The provisions of this code shall not apply to the designation of a bank or trust company as a depository, paying agent, registration agent, or other investment in funds of the Corporation in which a member, officer or employee has an interest by reason of ownership or employment.

ARTICLE III Conflict of Interest Policy

1. In the event any member, officer or employee has a financial interest (ownership or investment interest, or compensation arrangement) directly or indirectly through a relative (spouse, child, step-child, brother, sister, parent, step-parent or a person claimed as a dependant on the latest income tax return) with any entity or individual in which the Corporation has a business transaction, said interest shall be disclosed in writing or verbally at a duly called Board meeting and said disclosure shall be disclosed in the minutes.

2. The remaining members of the Board shall determine, after due deliberation and in the absence of the member with the financial interest, whether a conflict of interest exists.

3. If a conflict of interest is determined to exist the disinterested Board Members shall determine by majority vote, in the absence of the member with the conflict, whether the transaction or arrangement is in the Corporation's best interest and whether the transaction is fair and reasonable to the Corporation, and shall make its decision as to whether to enter into the transaction or arrangement in conformity with such determination.

ARTICLE IV Disclosure Statements

On an annual basis, the Corporation shall obtain a completed financial disclosure statement (in the form set forth as Exhibit A attached hereto, "disclosure statement") from each member and employee having management responsibility of the Corporation. Said disclosure statement shall be filed on or before April 15 in each year and any new Board Member or employee appointed to the Corporation shall file a disclosure statement within 30 days of said appointment. All disclosure statements shall be filed with the Chairman who shall cause said statements to be reviewed on an independent basis and shall file said

statements with the Monroe County Board of Ethics as required by the Public Authorities Accountability Act of 2005 Section 2825(3).

**ARTICLE V
Violation**

Any person who knowingly and intentionally violates any of the provisions of this Code may be fined, suspended or removed from office or employment as the case may be in the manner provided by law.

**ARTICLE VI
Distribution of Code**

The Chairman of the Board shall cause a copy of this Code of Ethics to be distributed to every member, officer and employee of the Corporation within thirty (30) days after its adoption. Each member or employee appointed thereafter shall be furnished with a copy before entering upon the duties of his or her office or employment.

Re-Adopted: March 21, 2012
Re-Adopted: March 29, 2012
Re-Adopted: March 30, 2011
Re-Adopted: October 28, 2010
Re-Adopted: October 22, 2009
Revised: May 28, 2009
Re-Adopted: October 23, 2008
Re-Adopted: October 16, 2007
Adopted: April 6, 2006

EXHIBIT E

EXHIBIT E

**CIVIC CENTER MONROE COUNTY LDC PROCUREMENT REPORT – FISCAL YEAR 2012
PURCHASES OVER \$5,000**

Vendor Name	Procurement Description	Award Process	Award Date	End Date	Amount Expensed FY 2012
1. Monroe County Finance	Management Agreement	Contract/Competitive Bid	11/1/2003	10/31/2023	220,368
2. Bonadio & Co., LLP	Accounting/Audit Services	Contract/Competitive Bid	1/1/2011	12/31/2013	13,500
3. Brown & Brown Insurance	Insurance Coverage	Contract/Competitive Bid	8/1/2012	8/1/2013	6,551
4. M.G.M.T. Services, LLC	Consultant management services	Contract/Competitive Bid	2/1/2012	2/1/2013	21,033
5. County of Monroe Industrial Development Agency (COMIDA)	Payment in lieu of taxes (Monroe County)	Non-Contract/Purchase Order	12/1/2003	12/31/2023	50,208
6. County of Monroe Industrial Development Agency (COMIDA)	Payment in lieu of taxes (Monroe County)	Non-Contract/Purchase Order	12/1/2003	12/1/2023	168,489
7. Monroe County Dir. Of Finance	Garage - reimbursement for electric usage	Contract/Non-Competitive	12/30/2003	12/30/2023	133,693
8. John W. Danforth Company	Garage supply and exhaust fan repair	Contract/Competitive Bid	12/4/2007	4/30/2012	7,829
9. Crane-Hogan Structural Systems, Inc.	Design-Build Civic Center Garage repairs and renovations	Contract/Competitive Bid	10/28/2011	TBD	279,747
Total					910,078

EXHIBIT F

EXHIBIT F

CIVIC CENTER MONROE COUNTY.
ASSESSMENT OF THE EFFECTIVENESS OF INTERNAL CONTROL STRUCTURE
AND PROCEDURES

This statement certifies that the internal control structure and procedures of the Civic Center Monroe County LDC have been documented and assessed for the year ending December 31, 2012. This assessment found the Corporation's internal controls to be adequate, and to the extent that deficiencies were identified, the Corporation has developed corrective action plans to reduce any corresponding risk.

 *March 20, 2013*

Charles H. Stuart

President

Civic Center Monroe County

CIVIC CENTER MONROE COUNTY LOCAL DEVELOPMENT CORPORATION ANNUAL INVESTMENT REPORT – 2012

CORPORATION HISTORY AND PURPOSE

Civic Center Monroe County Local Development Corporation (“Civic Center”) is a Not-for-Profit Local Development Corporation. It was established in November 2002 and is governed by a Board of Directors whose members are appointed by the County Executive of Monroe County.

Civic Center owns the Civic Center Garage located in Rochester, New York and contracts with a service provider for its day to day operations. In addition, Civic Center manages the operation of several surface lots. Thirty five (35) percent of all garage revenue in excess of \$1,000,000 is returned to Civic Center.

Civic Center’s Office mailing address is 8100 CityPlace, 50 West Main Street in Rochester, New York 14614.

INVESTMENT POLICY

The current Investment Policy of Civic Center is set forth in Exhibit A and was reviewed and re-adopted by the Board of Directors in March of 2012.

EXPLANATION OF INVESTMENT POLICY AMENDMENTS

There were no changes to the Investment Policy in 2012.

ANNUAL INDEPENDENT INVESTMENT REPORT AND AUDIT

Bonadio and Company has reviewed the accounts of the Corporation and determined that there are no investments that meet the reporting requirements of the Public Authorities Accountability Act. Earnings from funds under the control of the corporation are reported and audited as part of the Financial Reports and included in the audited financial statements. Therefore a separate audit has not been conducted (Exhibit B).

FUTURE REPORTS

Investments are reviewed annually to determine if separate reporting and auditing is required

EXHIBIT A

CIVIC CENTER MONROE COUNTY LOCAL DEVELOPMENT CORPORATION

Investment Policy

Civic Center Monroe County Local Development Corporation (“Corporation”) is a Not-For-Profit Local Development Corporation pursuant to Section 402 of the Not-For-Profit Corporation Law of the State of New York. The following shall constitute the Investment Policy of the Corporation required pursuant to the Public Authorities Law.

1. Objectives.

The objectives of the Corporation’s Investment and Deposit Policy are:

- a. Investments and bank deposits (hereafter collectively referred to as (“investments”) shall be made in a manner so as to safeguard the funds of the Corporation and funds under the control of the Corporation;
- b. Investments shall be sufficiently liquid so as to allow funds to be available as needed to meet the obligations of the Corporation; and
- c. Funds shall be invested in such a way as to earn the maximum yield possible given the first two (2) investment objectives.

2. Deposit of Monies.

All monies of the Corporation from whatever source derived shall be deposited forthwith in a bank or banks designated by the Board of Directors; and, to the extent practicable, consistent with the cash requirements of the Corporation, all such money shall be deposited in interest bearing accounts.

3. Permitted Investments.

The following is a list of the permitted investments that may be made with the funds of the Corporation in a manner and upon such terms as are consistent with the appropriate provisions of law relating to the Corporation.

- a. Direct or indirect obligations of the State or any municipality, instrumentality, or political subdivision thereof, or the United States of America or any instrumentality thereof.
- b. Obligations, the full and timely payment of the principal and interest of which are directly and unconditionally guaranteed by the State or United States of America.

c. Bankers' acceptances of, or certificates of deposits issued by, or time deposits or other banking arrangements or deposits with a Bank with a rating of investment grade at all times by a Rating Agency.

d. Commercial paper of any Corporation which has been classified for rating purposes by a Rating Agency as Prime-1 and by Standard & Poor's as A-1.

e. Money market funds or other mutual funds which have been classified with at least an AAA rating as determined by Standard & Poor's Rating Group or AAA rating as determined by Moody's Investor's Service Inc. and which invest predominately in assets described in (a) or (b) above.

4. Requirement of Written Contracts.

a. For any investment of funds, the Corporation shall enter into a written contract pursuant to which the investment is made, except where the Board shall by Resolution determine that:

1. A written contract is not practical; or
2. There is no regular business practice of executing a written contract with respect to a particular investment or transaction.

b. In situations where there is no written contract for a particular investment the Corporation shall follow such procedures as are appropriate to protect its financial interest.

5. Standards for Diversification of Investments.

Investments of the Corporation shall be reasonably diversified, as shall the investment firms or banks with which the Corporation transacts investment business. This shall not be construed so as to mandate absolute diversification in the event that it is determined, in a certain instance, that diversification is not in the best interest of the Corporation.

6. Standards for the Qualification of Investment Bankers, Brokers, Agents, Dealers and other Investment Advisors.

The Corporation shall transact business only with qualified, certified, or licensed investment bankers, brokers, agents, dealers, and other investment advisors and agents.

7. Operations and Management.

The Board of Directors will designate an individual or entity responsible for investment of the Corporation's funds. Investments will be based upon projections of the Corporation's cash flow needs so that investments shall mature at such time when funds are estimated to be needed for the orderly payment of Corporation obligations. The Treasurer shall annually review or have reviewed the financial statements of all financial institutions in which the Corporation is

depositing funds or entering into investment transactions and shall determine that the institution has satisfactory financial strength.

8. Annual Audit of Investments.

The Corporation shall annually engage a firm qualified to conduct an independent audit of all investments. The results of the audit shall be made available to the Corporation at the time that the annual review and approval of these investment guidelines is conducted.

9. Annual Investment Report.

a. In the event that investment reporting is required pursuant the Public Authority Accountability Act (PAAA) of 2005, within ninety (90) days after the end of its fiscal year, the Treasurer shall prepare and the Board shall approve an annual investment report that shall include;

1. These investment guidelines as then currently amended;
2. A description of any amendments to these investment guidelines since the last annual investment report;
3. An explanation of these investment guidelines as amended;
4. The results of the annual independent audit;
5. The investment income record;
6. A list of the total fees, commissions, or other charges paid to each investment banker, broker, agent, dealer, and advisor that rendered investment associated services to the Corporation since the last annual investment report.

b. Routine investments and investment income not reportable pursuant to PAAA will be reported as part of the Corporation's Financial Statements.

c. The annual investment report may be a part of any other annual report that the Corporation is required to make. Said investment report shall be submitted to the Chief Executive Officer and the Chief Fiscal Officer of the County of Monroe.

10. Effective Date Annual Review.

These investment guidelines shall be effective as of the date adopted, may be amended from time to time, and shall be reviewed and approved on an annual basis by the Board of Directors.

Re-Adopted: March 29, 2012
Re-Adopted: March 30, 2011
Re-Adopted: October 28, 2010
Revised: January 21, 2010
Re-Adopted: October 22, 2009
Re-Adopted: October 23, 2008
Revised: July 17, 2008
Re-Adopted: October 16, 2007
Adopted: October 17, 2006



March 6, 2013

Mr. Charles H. Stuart, Board President
Civic Center Monroe County Local Development Corporation
39 West Main Street
County Office Building, Suite 8100
Rochester, New York 14614

Dear Hank:

Over the past few years, the landscape upon which Local Development Corporations (LDCs) have been operating has continued to change. Increased regulation, for the purpose of transparency, has been created. Specifically, the Authority Budget Office (ABO) of New York State has determined that LDCs should be subject to their oversight.

Specifically, LDCs which are authorized under the Not-for-Profit Corporation Law fall under the Public Authorities Accountability Act's (PAAA) and Public Authorities Reform Act (PARA) definition if they are affiliated with, sponsored by, or created by a municipal government. The ABO has been attempting to identify those LDCs covered under the PAAA and therefore subject to the Public Authorities Law (PAL).

One of the specific requirements of the PAL is Section 2925, subdivision 6 that indicates:

"Each corporation shall annually prepare and approve an investment report which shall include the investment guidelines, as specified in subdivision three of this section, amendments to such guidelines since the last investment report, an explanation of the investment guidelines and amendments, the results of the annual independent audit, the investment income record of the corporation and a list of the total fees, commissions, or other charges paid to each investment banker, broker, dealer, agent, dealer and adviser rendering investment associated services to the corporation since the last investment report. Such investment report may be a part of any other annual report that the corporation is required to make."

In discussions with the ABO, they have indicated that the annual financial statement audit does not satisfy the requirement above. Furthermore, the requirement extends to not only investments in the conventional sense, but all funds available for deposit in the organization, except for traditional checking and savings type deposits, or trustee directed investments in association with bond issuances. Certificates of deposits would qualify as investments under the regulations.

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The complexity of the audit is based primarily on the nature of the organization's investments. Organizations with certificates of deposit or other non-complex investments may be able satisfy the requirements by having an agreed-upon procedures review of its investment policy performed to ensure that the organization is in compliance with said policy.

Since the Organization does not have investments that meet the criteria as defined above, there is no filing requirement for December 31, 2012.

We can assist you with the requirements of this legislation and provide the reports required to satisfy the objectives, going forward. As necessary, we can perform these concurrently with our annual financial statement audits at an estimated hour basis. Please contact me to discuss the specifics of your needs.

Very truly yours,

Bonadio & Co., LLP



By:
Randall R. Shepard