

# **CIVIC CENTER MONROE COUNTY LOCAL DEVELOPMENT CORPORATION ANNUAL INVESTMENT REPORT – 2015**

## **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. Fifty percent (50%) 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 2015. It is anticipated that this policy will be re-adopted at the March 2016 annual meeting.

## **EXPLANATION OF INVESTMENT POLICY AMENDMENTS**

There were no changes to the Investment Policy in 2015.

## **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 2015  
Re-Adopted March 12, 2014  
Re-Adopted March 21, 2013  
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 7, 2016

Mr. David Moore, Board President  
Civic Center Monroe County Local Development Corporation  
Monroe County CityPlace  
50 West Main Street – Suite 8100  
Rochester, New York 14614

Dear Mr. Moore:

Local Development Corporations (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.

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.

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.

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Since Civic Center Monroe County Local Development Corporation does not have investments that meet the criteria as defined above, there is no filing requirement for December 31, 2015.

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

A handwritten signature in black ink, appearing to read "Randall R. Shepard", with a long horizontal flourish extending to the right.

By:

Randall R. Shepard, CPA