

Cayuga County Development Authority Annual Operations and Accomplishments Report FY 2011

Introduction

The Cayuga County Development Authority (hereinafter called the “CCDC” or the “Authority”) was created in June, 2002 as a Not-For-Profit Local Development Corporation under Section 1411 of the Not-For-Profit Corporation Law of the State of New York, for the purposes set forth in Section 1141(a) of such law and whose formation and operation are exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. These purposes are to relieve and reduce unemployment, promote and provide for additional and maximum employment, to create better and to maintain job opportunities within Cayuga County and to and lessen the burden of government and act in the public interest.

The Office of the Agency is located at the Cayuga County Office Building, situated at 160 Genesee Street, 5th Floor, Auburn, NY, 13021.

This document is being presented as the Annual Operations and Accomplishments (“Annual”) Report for the Cayuga County Development Authority for the Fiscal Year ending 12/31/2011 in full compliance with the New York State Public Authorities Law (“PAL”) Section 2824-a, the 2005 NYS Public Authorities Accountability Act (“PAAA”) and the 2009 PARA. The goal of this report is to provide a written assessment and summary review of CCDC’s operations and accomplishments during FY2011. In some cases, this report will refer to and identify the publicly available (and web-posted) location of supporting reports or materials that provide the information cited. Collectively, this report and the cited materials include the following areas of concern:

1. Overview of FY2011 CCDC Operations and Accomplishments
2. CCDC Revenues & Expenditures for FY2011
3. CCDC Assets & Liabilities for FY2011
4. CCDC Compensation
5. Overview of Projects undertaken by the Authority
6. Real Property Owned and/or Disposed of by the Authority
7. The CCDC Code of Ethics
8. Assessment of the Effectiveness of CCDC’s Internal Controls; and the
9. CCDC Investment Report for FY2011.

I. Overview of Operations & Accomplishments

The CCDC continued to operate under its authority in FY2011 with a full Board of Directors and staff provided through the Cayuga County Department of Planning & Economic Development and the Cayuga County Office of the County Treasurer. The Board continued its policy of meeting on an as-needed basis to conduct business. In FY2011 the CCDC conducted minimal meetings. When held, the CCDC Board meetings were public meetings and were posted as such and the meetings included a Treasurer's Report and a review and approval of previous meeting minutes.

During FY2011 the CCDC focused its efforts on a number of issues, including: improving on the Authority's compliance with requirements of PAAA and PARA; continuing its support for deployment of a County-wide private sector economic development agency (through CEDA, a "first-stop" agency); and continuing general outreach to businesses and networking with partner economic development agencies and authorities. More specifically, the Authority:

- **Revised and Amended its Corporate Bylaws to achieve improved compliance with the Public Authority Reporting Act (PARA).** The CCDC Board prepared and adopted Amended and Restated Bylaws on October 18, 2011. These changes were made to bring the Authority more fully in compliance with the Board structure and reporting requirements outlined in the 2009 PARA statutes. In addition, the Board:
 - Amended the CCDC Committee Structure, adding a Finance Committee component to the already existing Audit Committee;
 - Revising and adopting new committee charters for the Audit and Finance Committee and the Governance Committee;
 - Amended and Adopted the Authorities Property Disposition Policy; and
 - Incorporated prohibitions against directly, or indirectly extending or maintaining credit or loans to or for any official, board member or employee in accordance with PAL Section 2824(5).
- **Support for Creating a County-wide Economic Development Organization.** Between FY2008 and 2010 the CCDC, along with the Cayuga County Industrial Development Agency (the CCIDA) called for the creation of an umbrella economic development organization that could coordinate and focus County-wide economic development – especially the coordination of efforts between the City of Auburn and Cayuga County ED Teams. In FY2010, this organization became a working reality as funds for the new agency were secured and an executive director was recruited. In FY11, the new Agency – the Cayuga Economic Development Agency (CEDA) was up and running and the CCDC provided the following support and technical assistance:
 - Working with the existing economic development entities within the County, the CCDC supported the briefing and coordination of the new Board of Directors representing this private sector entity. Although the CCDC is not represented on the new agency board, the CCDC staff attended nearly all the CEDA meetings

and was involved in helping this new Board move forward with programs and initiatives.

- The CCDC Board and staff played a supporting role in developing the new organization in FY09 and FY10 and now, in FY11, the CCDC continued to provide logistical support and assistance to this agency including but not limited to:
 - Technical assistance with overall economic development initiatives and project development including as assessment of needs;
 - Implementing a Countywide Strategic Economic Development Strategy (developed in FY10 and presented in FY 2011);
 - Community Outreach and Networking; and
 - Coordination on establishment of Business Retention and Expansion (BRE) program.

In addition to this focus area, the CCDC also worked with its partner agency - the CCIDA, to market economic development services and available incentives and benefits to existing business enterprises and worked to identify opportunities for new business development.

II. CCDC REVENUES AND EXPENSES FY2011

Each year the Cayuga County Industrial Development ("CCIDA") conducts an independent financial audit of the previous fiscal year and includes in that independent audit an audit of the Cayuga County Development Corporation finances as a *Component Unit* of the CCDC. This format closely reviews and monitors the CCDC finances and reports its findings inside the CCIDA annual financial audit.

This arrangement provides a cost effective but vigorous review of the CCDC financial transaction of the previous fiscal year. For the year ended 12/31/2011, the CCDC was again audited as a component unit of the CCIDA. The full audit, including an analysis and overview of the CCDC Revenues and Expenses for the fiscal year, is available both online at the CCDC/CCIDA website (<http://co.cayuga.ny.us/planning/ccida.htm>) and at the CCDC offices, Cayuga County Office Building, 160 Genesee Street, 5th Floor, Auburn, NY 13021.

III. CCDC ASSETS AND LIABILITIES FY2011

As stated above, the CCIDA independent financial audit of the fiscal year ended 12/31/2011 also includes an analysis and overview of the CCDC including its Assets and Liabilities for the fiscal year, which is also available both online at the CCDC/CCIDA website (<http://co.cayuga.ny.us/planning/ccida.htm>) and at the CCDC offices, Cayuga County Office Building, 160 Genesee Street, 5th Floor, Auburn, NY 13021.

IV. CCDC CORPORATION COMPENSATION

The CCDC is located at the Cayuga County Office Building in Auburn, NY and operates with staff support provided by Cayuga County. The primary staff members working with the CCDC on daily operation and administration are the CCDC Executive Director who is also the Director of the Cayuga County Office of Planning & Economic Development and the CCDC Secretary/Treasurer who is also the Cayuga County Deputy Treasurer.

The CCDC Executive Director does not receive any compensation by the CCDC and is paid fully by Cayuga County as Director of Planning & Economic Development. The Executive Director is reimbursed for expenses incurred in the performance of his duties to the CCDC such as mileage, etc.

The CCDC Secretary/Treasurer receives an annual \$10,000.00 payment, through Cayuga County, for services rendered to the CCIDA. The CCDC work completed by the Cayuga County Deputy Treasurer also falls under this responsibility. The CCIDA (not the CCDC) pays this amount to Cayuga County on an annual basis and continued to do so in FY11.

In addition to these primary positions, the CCDC receives technical assistance from time to time through Cayuga County. This support assistance is provided at no cost to the CCDC.

V. PROJECTS UNDERTAKEN BY THE CCIDA IN FY2011

Aside from the programming efforts aimed at development of, and support for CEDA, the CCDC did not undertake any stand-alone projects in FY2011. In addition to the coordinated (CEDA) economic development initiative, the CCDC also engaged in the following activities:

- Updated and revised Corporate Bylaws and Committee Structures;
- Coordination with the CCIDA on development of the Aurelius Industrial Park infrastructure project – in FY11 this work moved through environmental permitting, and bidding (through the CCIDA) to construction;
- As a local economic development entity, the CCDC continued close coordination and interaction with the Cayuga-Cortland Workforce Investment Board and overall workforce development initiatives;
- Review and Assessment of CCDC Internal Controls;
- Continued staff assessment of County-wide infrastructure needs working closely with the new CEDA economic development agency and their roll-out of a strategic plan. This included including meetings with County legislature representatives and private businesses on strategic sites that are in proximity to major transportation corridors and rail lines;
- CCDC continued to participate in New York State Economic Development Council (NYSEDC) seminars and conferences on economic development best practices;
- CCDC continued outreach to Central New York Higher Education institutions to promote technology transfer and commercialization including the Tech Garden on Syracuse and with Cornell University in Ithaca and began conversations on ag-related training through the Board of Cooperative Education Services BOCES;
- Continued coordination and networking with Cayuga County small business concerns and manufacturing clusters; and
- Continued coordination and networking with the City of Auburn IDA and LDC.

VI. CCDC PROPERTY OWNED AND/OR DISPOSED OF FY2011

As reported annually, the CCDC does not own any real property and this remained the case in FY2011.

VII. CCDC Code of Ethics

The CCDC adopted a Code of Ethics on September 18, 2007 that established a high level of ethical conduct the Board of Directors, staff and associates for the Authority to adhere to. This adopted Code of Ethics is reviewed annually by the Board of Directors and was specifically

reviewed and ratified on October 18, 2011 when the CCDC Board revised its Bylaws. The Code of Ethics is posted online at the CCDC/CCIDA website:

<http://co.cayuga.ny.us/planning/ccida.htm> and is available at the CCDC offices. A copy of the adopted Code of Ethics is provided below:

The members of the board (the "Board") of the Cayuga County Development Authority (the "Authority"), a duly established public benefit corporation of the State of New York (the "State"), along with the officers and staff of the Corporation, shall comply with and adhere to the provisions of the Not-For-Profit Corporation Law of the State.

Further, no director, officer, or employee of the Corporation shall (1) accept other employment which will impair his or her independence of judgment in the exercise of his or her official duties; (2) accept employment or engage in any business or professional activity which will require him or her to disclose confidential information which he or she has gained by reason of his or her official position of authority; (3) disclose confidential information acquired by him or her in the course of his or her official duties nor use such information to further his or her personal interests; (4) use or attempt to use his or her official position to secure unwarranted privileges or exemptions for himself, herself or others; (5) engage in any transaction as a representative or agent of Corporation with any business entity in which he or she has a direct or indirect financial interest that might reasonably tend to conflict with proper discharge of his or her official duties; (6) not, by his or her conduct, give reasonable basis for the impression that any person can improperly influence him or her or unduly enjoy his or her favor in the performance of his or her official duties, or that he or she is affected by the kinship, rank, position or influence of any party or person; (7) abstain from making personal investments in enterprises which he or she has reason to believe may be directly involved in decisions to be made by him or her or which will otherwise create substantial conflict between his or her duty in the public interest and his or her private interest; and (8) endeavor to pursue a course of conduct which will not raise suspicion among the public that he or she is likely to be engaged in acts that are in violation of his or her trust.

Approved and adopted on the 18th day of September 2007.

Amended and Ratified October 18, 2011.

VIII. Assessment of the Effectiveness of CCDC Internal Controls

As discussed previously, the CCDC is audited annually as a component unit of the CCIDA. In FY2011 the CCDC was again reviewed under the independent financial audit of the CCIDA. The CCDC component review of the financial statements is the responsibility of CCDC management and the Board of Directors. These combined/component statements are prepared in accordance with accounting principles generally accepted in the United States of America. Financial information contained in the report and in the related, cited materials at the CCDC offices and online at the CCDC/CCIDA website is consistent with the FY2011 audited financial statements.

CCDC has established an Internal Control Structure and the CCDC Board of Directors conducts an annual review and assessment of its Internal Controls as part of the combined/component independent audit of the CCIDA/CCDC. The objectives of the CCDC Internal Controls and Structure is to provide reasonable assurance as to the protection of and accountability for assets, compliance with applicable laws and regulations, proper authorization and recording of transactions and the reliability of financial records for preparing financial statements. The Internal Control Structure is subject to periodic review by CCDC/CCIDA independent auditors in addition to the review by the CCDC Board and management.

The CCDC Board and management are committed to an ongoing assessment of the control structure and are focused on the following continuous improvements:

- Timely compliance with PAAA and new PARA throughout the fiscal year, including communication with CCDC independent auditors and general counsel to bring the Authority in to a structured review and audit schedule ensuring full and timely compliance with statutory compliance, public reporting and transparency;
- Cross training of Agency staff on PAAA and the new PARA and financial reporting requirements to establish checks and balances for meeting full compliance with scheduled reporting.

IX. CCDC INVESTMENT REPORT

Deposits and Investments

State statutes govern the Authority's investment policies. In addition, the Authority adopted its own written Investment Policy on September 18, 2007 which remains in place. Authority monies must be deposited in FDIC insured commercial banks or trust companies located within the State. The CCDC Treasurer is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and obligations of New York State and its localities.

Collateral is required for demand deposits and certificates of deposit at 105% of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the state and its municipalities and school districts.

Total bank balances of the CCDC of \$162,866 at December 31, 2011 are covered by FDIC insurance up to the limits. The carrying value of deposits at December 31, 2011 totaled 166,738. Included in these balances is a 6-month certificate of deposit in the amount of \$150,664 at an interest rate of .32%. These funds are restricted for the purpose of economic development loans.