

THE AGENCY

B R O O M E C O U N T Y I D A / L D C

BROOME COUNTY LOCAL DEVELOPMENT CORPORATION
March 18, 2020 • 12:30 p.m. • The Agency Conference Room
FIVE South College Drive, Suite 201, 2nd Floor
Binghamton, New York 13905

AGENDA

- | | |
|--|-------------|
| 1. Oath of Office | J. Bernardo |
| 2. Call to Order | J. Bernardo |
| 3. Approve Minutes – February 19, 2020 Board Meeting | J. Bernardo |
| 4. Public Comment | J. Bernardo |

New Business

- | | |
|--|-----------|
| 5. Resolution to Approve the 2019 Audit of the Broome County Local Development Corporation, Conducted by Insero & Co. CPA's LLP | S. Duncan |
| 6. Resolution Approving the Broome County Local Development Corporation's Revised Whistle-Blower Policy, a Copy of Which is Attached Hereto, as Exhibit "A" | T. Gray |
| 7. Resolution to Approve the Readoption of the Code of Ethics, Defense and Indemnification Policy, Compensation Reimbursement Policy and Travel Policy with No Changes | T. Gray |
| 8. Resolution to Approve 2019 Mission and Measurement Report | T. Gray |

Old Business

- | | |
|----------------|-------------|
| 9. Adjournment | J. Bernardo |
|----------------|-------------|

**BROOME COUNTY LOCAL DEVELOPMENT CORPORATION
BOARD MEETING
FIVE South College Drive, Suite 201
The Agency Conference Room, 2nd floor
Binghamton, New York 13905
Wednesday, February 19, 2020, 12:30 p.m.**

SYNOPSIS OF MEETING

PRESENT: J. Bernardo, J. Stevens, J. Peduto, B. Rose, J. Mirabito, C. Sacco and D. Crocker

ABSENT: W. Howard, R. Bucci

GUESTS: Jeff Platsky, Press & Sun Bulletin
Joseph Moody, Town of Union
Brian Haynes, Great Eastern Hemp
Mayor Greg Deemie, Village of Johnson City
Aaron Martin, Broome County Legislature
Kyle Davis, Chamber of Commerce
Bob Joseph, WNBK
Jay Smith, UHS
Rick Borschuk, UHS
Jessica Kisluk, Fox 40

STAFF: S. Duncan, T. Gray, N. Abbadessa, C. Hornbeck, B. O'Bryan, T. Ryan and A. Williamson

COUNSEL: J. Meagher

PRESIDING: J. Bernardo

The meeting was called to order at 1:36 p.m.

ITEM #1. APPROVE MINUTES FOR THE JANUARY 15, 2020 BOARD MEETING: Chairman Bernardo asked if Board members had any comments or questions regarding the January 15, 2020 Board meeting; hearing none, requested a motion to accept those minutes.

MOTION: To approve the January 15, 2020 Board Meeting minutes. On a MOTION by Mr. Crocker, seconded by Mr. Stevens, the MOTION CARRIED.

ITEM #2. PUBLIC COMMENT: No public comment.

ITEM #3. EXECUTIVE SESSION: DISCUSSION OF REAL PROPERTY: None.

ITEM #4 RESOLUTION OF THE BROOME COUNTY LOCAL DEVELOPMENT CORPORATION (i) TAKING OFFICIAL ACTION TOWARD THE ISSUANCE OF UP TO \$295,000,000 PRINCIPAL AMOUNT OF REVENUE BONDS FOR THE PURPOSE OF FINANCING A CERTAIN PROJECT FOR THE BENEFIT OF UNITED HEALTH SERVICES HOSPITALS, INC. (ii) DESCRIBING THE FORMS OF FINANCIAL ASSISTANCE BEING CONTEMPLATED BY THE ISSUER WITH RESPECT TO SUCH PROJECT; AND (iii) AUTHORIZING A PUBLIC HEARING WITH RESPECT TO SUCH FINANCING AND THE UNDERTAKING OF SUCH PROJECT. Ms. Duncan stated that Agency staff, Attorney Joseph Meagher and Attorney Chris Andreucci have been engaged with Mr. Jay Smith and Mr. Rick Borschuck of United Health Services, Inc. (UHS), regarding UHS' application for the issuance of tax-exempt bonds up to \$295,000,000. The project, located on the Wilson Campus in Johnson City, includes construction and relocation of a new and state-of-the-art emergency room for improved patient care, MRI Lab, new medical surgical patient unit with private rooms, and a minimum three floors for shelf space for anticipated growth. A new helipad will be constructed on top of the building and will reduce transport time for patients. Total square footage of the new facility is approximately 183,375 sf; total project cost as outlined in the application for the construction project is estimated at \$132,000,000. Acceptance of UHS' application will enable The Agency to authorize a required TEFRA Hearing in March 2020. UHS is seeking \$121,600,000 in bonds for the construction project; the remainder (\$10.5 million) is required equity into the project by the applicant. In addition, UHS is determining whether to proceed with refinancing of existing debt through this bond issuance, including bonds previously issued by BCLDC for the EPIC Software project, as well as other outstanding debt. A list of outstanding debt will be provided with required notice on the TEFRA Hearing. UHS applied to the NYS Department of Health for a Certificate of Need (CON), which was received February 6, 2020. UHS' intent is to do a public offering on the bond sometime in April 2020. The transformation of the UHS Campus at Wilson Hospital will complement the hundreds of millions of dollars of investment by Binghamton University toward the development of the Johnson City Health and Cultural District. The project is located in a state-designated Innovation District (idistrict) and a federally-designated Opportunity Zone. The project will improve the physical landscape in a critical area of Johnson City and serve as a catalyst for new development along Main Street. As Broome County's largest employer, UHS makes up a substantial share of the region's largest employment sector. This project is critical in maintaining patient access to care and retaining and attracting new highly qualified professionals. The staff strongly recommends the Board accept this application and authorize a TEFRA Hearing. Chairman Bernardo asked if there are questions of either Ms. Duncan, Mr. Smith or Mr. Borschuck of UHS, who are in attendance. Mr. Crocker asked if the application would be revised to reflect the use of local labor, which Ms. Duncan confirmed, stating LeChase will be used. Hearing no other comments, Chairman

Bernardo requested a motion.

MOTION: To Approve a Resolution of the Broome County Local Development Corporation (i) Taking Official Action Toward the Issuance of up to \$295,000,000 Principal Amount of Revenue Bonds for the Purpose of Financing a Project for the Benefit of United Health Services Hospitals, Inc. (ii) Describing the Forms of Financial Assistance Being Contemplated by the Issuer with Respect to Such Project; and (iii) Authorizing a Public Hearing with Respect to Such Financing and the Undertaking of Such Project. On a MOTION by Mr. Stevens, seconded by Mr. Peduto, the MOTION CARRIED UNANIMOUSLY.

ITEM #5 RESOLUTION TO APPROVE THE READOPTION OF THE BCLDC BYLAWS AND POLICIES: PROPERTY ACQUISITION GUIDELINES, PROPERTY DISPOSITION GUIDELINES, INTERNAL CONTROLS AND ACCOUNTABILITY POLICY, INVESTMENT AND DEPOSIT POLICY AND PURCHASING POLICY WITH NO CHANGES. Mr. Gray stated the ABO requires that the BCLDC annually review the Bylaws and Policies and Procedures. The staff has done so and requests the Board accept those documents with no changes. Chairman Bernardo asked if there are any questions of Mr. Gray; hearing none, requested a motion.

MOTION: To approve the Readoption of the BCLDC Bylaws and Policies: Property Acquisition Guidelines, Property Disposition Guidelines, Internal Controls and Accountability Policy, Investment and Deposit Policy and Purchasing Policy with No Changes. On a Motion by Mr. Crocker, seconded by Mr. Mirabito, the MOTION CARRIED UNANIMOUSLY.

ITEM #6: RESOLUTION TO APPROVE SUMMARY RESULTS OF CONFIDENTIAL EVALUATION OF BOARD PERFORMANCE: Chairman Bernardo stated he would make the same comment as with the IDA Board evaluation results, as they are identical. Chairman Bernardo asked if there were any additional questions or comments; hearing none requested a motion.

MOTION: To Approve Summary Results of Confidential Evaluation of Board Performance. On a Motion by Mr. Stevens, seconded by Mr. Rose, the MOTION CARRIED UNANIMOUSLY.

ITEM #7. ADJOURNMENT: Chairman Bernardo asked if there is any other business to cover; hearing none, requested a motion to adjourn.

MOTION: To adjourn the meeting. On a MOTION by Mr. Stevens, seconded by Mr. Crocker, the MOTION CARRIED UNANIMOUSLY, and the meeting was adjourned at 1:44 p.m.

The next scheduled meeting of the BCLDC is to be determined.

**BROOME COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
AND LOCAL DEVELOPMENT
CORPORATION**

Binghamton, New York

EXECUTIVE SUMMARY

**For the Year Ended
December 31, 2019**

**BROOME COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
AND LOCAL DEVELOPMENT CORPORATION**

EXECUTIVE SUMMARY OF 2019 AUDIT REPORT AND FINDINGS

Basic Financial Statements

Independent Auditors' Report on Basic
Financial Statements

Independent Auditors' Report on
Internal Control Over Financial
Reporting and on Compliance and
Other Matters Based on an Audit of
Financial Statements Performed in
Accordance with *Government
Auditing Standards*

Description of Report and Findings

Unmodified opinion on the Broome County Industrial
Development Agency's (the Agency) basic financial
statements for the year ended December 31, 2019.

Unmodified opinion on the Broome County Local
Development Corporation's (the Corporation) basic
financial statements for the year ended December 31, 2019.

Report on the Agency's compliance with laws and
regulations that may have a direct and material effect on the
basic financial statements, and on the Agency's internal
control structure, policies, and procedures based on the
auditors' understanding of the internal control structure and
assessment of control risk obtained as part of the audit of
the basic financial statements. This report identified **no
instances of noncompliance and no material internal
control weaknesses** at the financial statement level.

Report on the Corporation's compliance with laws and
regulations that may have a direct and material effect on the
basic financial statements, and on the Corporation's internal
control structure, policies, and procedures based on the
auditors' understanding of the internal control structure and
assessment of control risk obtained as part of the audit of
the basic financial statements. This report identified **no
instances of noncompliance and no material internal
control weaknesses** at the financial statement level.

**BROOME COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
AND LOCAL DEVELOPMENT CORPORATION**

EXECUTIVE SUMMARY OF 2019 AUDIT REPORT AND FINDINGS

Communication with Those Charged with Governance at the Conclusion of the Audit

A letter that specifically addresses certain required communications to the Boards of the Agency and the Corporation in accordance with professional standards. There were **no comments of concern** to be reported regarding the following:

- Qualitative Aspects of Accounting Practices
- Difficulties Encountered in Performing the Audit
- Corrected and Uncorrected Misstatements
- Disagreements with Management
- Management Representations
- Management Consultations with Other Independent Accountants
- Other Audit Findings or Issues
- Other Matters

Management Comment Letter

The Agency: Letter of comments dated _____, 2020 that communicates no significant deficiencies or material weaknesses have been reported.

The Corporation: Letter of comments dated _____, 2020 that communicates no significant deficiencies or material weaknesses have been reported.

BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY AND LOCAL DEVELOPMENT CORPORATION

5 YEAR FINANCIAL STATEMENT ANALYSIS

	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016, restated	December 31, 2015, restated
INDUSTRIAL DEVELOPMENT AGENCY					
ASSETS					
Cash and Cash Equivalents - Unrestricted	\$ 671,806	\$ 821,729	\$ 2,513,915	\$ 1,596,799	\$ 6,037,720
Cash and Cash Equivalents - Restricted	1,005,843	621,416	596,154	1,062,227	683,370
Investments	6,897,363	7,053,674	4,474,448	4,455,830	
Accounts Receivable	52,500		174,225	335,000	51,507
Pass Through Receivable	12,464	79,938			323,530
Due from County	285,700	322,542	327,542	339,612	893,088
Due from Binghamton Local Development Corp.	385,000				
Notes Receivable	1,530,422	578,577	619,391	762,336	1,947,476
Loans Receivable	1,777,902	2,078,542	1,965,642	1,569,057	
Mortgage Receivable	3,222,492	3,246,654	3,324,296		
Property Held Under PILOT Agreements				6,087,377	6,087,377
Property Held for Resale	2,097,017	3,908,116	3,787,533	5,664,117	4,365,018
Capital Assets, Net	7,915,531	9,972,433	10,175,046	6,363,334	6,340,672
Total Assets	\$ 25,854,040	\$ 28,683,621	\$ 27,958,192	\$ 28,235,687	\$ 26,729,758
LIABILITIES					
Accounts Payable, Accrued Expenses, and Other	\$ 77,357	\$ 58,635	\$ 44,641	\$ 6,157,841	\$ 6,152,495
Total Liabilities	77,357	58,635	44,641	6,157,841	6,152,495
NET POSITION					
Net Investment in Capital Assets	7,915,531	9,972,433	10,175,046	6,363,334	6,340,672
Restricted for Loans	2,344,862	2,845,902	2,561,815	2,624,511	2,624,511
Unrestricted	15,593,647	15,865,286	15,176,690	13,090,001	11,512,080
Total Net Position	25,776,683	28,624,986	27,913,551	22,077,846	20,577,263
Total Liabilities and Net Position	\$ 25,854,040	\$ 28,683,621	\$ 27,958,192	\$ 28,235,687	\$ 26,729,758
LOCAL DEVELOPMENT CORPORATION					
ASSETS					
Cash and Cash Equivalents - Unrestricted	\$ 114,269	\$ 148,862	\$ 177,434	\$ 167,673	\$ 232,675
Accounts Receivable	75,000				
Total Assets	\$ 189,269	\$ 148,862	\$ 177,434	\$ 167,673	\$ 232,675
LIABILITIES					
Unearned Revenue and Accounts Payable	\$ 3,700	\$ 9,394	\$ 53,450	\$ -	\$ -
Total Liabilities	3,700	9,394	53,450	-	-
NET POSITION					
Unrestricted	185,569	139,468	123,984	167,673	232,675
Total Net Position	185,569	139,468	123,984	167,673	232,675
Total Liabilities and Net Position	\$ 189,269	\$ 148,862	\$ 177,434	\$ 167,673	\$ 232,675

Note: Abstracted from Audited Financials - See Audit Reports for Complete Information

BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY AND LOCAL DEVELOPMENT CORPORATION

5 YEAR FINANCIAL STATEMENT ANALYSIS

	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015
INDUSTRIAL DEVELOPMENT AGENCY					
REVENUES					
Fee Income	\$ 1,128,390	\$ 848,571	\$ 939,807	\$ 646,564	\$ 868,855
Rental Income	98,612	90,598	883,724	2,765,877	1,190,061
Other Income	64,195	88,954	32,892	5,530	49,539
State Grant		484,194	3,865,806		
State Aid		2,000	718,839	293,908	332,390
Grant Income		300,000			
Investment Income	267,874	89,314	33,210	53,651	37,743
Loan Interest Earned	61,272	163,138	92,285	71,972	65,527
Gain (Loss) on Sale of Assets	(3,082,597)	1,908	1,923,402		
Total Revenues	(1,462,254)	2,068,670	8,489,965	3,837,502	2,544,115
EXPENSES					
Rental Expense			474,946	594,359	1,747,915
Salaries and Benefits	666,583	662,381	597,650	581,395	435,520
Depreciation	227,941	228,349	132,571	347,313	347,925
Professional Fees	139,148	98,682	175,217	197,340	153,990
Office Expense	59,764	51,218	101,149	120,615	148,082
Multi-Modal Expenses		2,000	621,901	85,275	
Other Expenses	292,613	318,012	550,828	410,620	330,313
Total Expenses	1,386,049	1,357,242	2,654,262	2,336,917	3,163,745
Change in Net Position	\$ (2,848,303)	\$ 711,435	\$ 5,835,703	\$ 1,500,585	\$ (619,630)
LOCAL DEVELOPMENT CORPORATION					
REVENUES					
Fee Income	\$ 175,175	\$ 24,675	\$ 23,675	\$ 23,675	\$ 236,750
Other Income	83,177	174,950	1,491		
Total Revenues	258,352	199,625	25,166	23,675	236,750
EXPENSES					
Sponsorship Expenses	148,641	152,239	60,805	81,211	65,840
General and Administrative Expenses	63,610	31,902	8,050	7,466	7,296
Total Expenses	212,251	184,141	68,855	88,677	73,136
Change in Net Position	\$ 46,101	\$ 15,484	\$ (43,689)	\$ (65,002)	\$ 163,614

Note: Abstracted from Audited Financials - See Audit Reports for Complete Information

BROOME COUNTY INDUSTRIAL DEVELOPMENT AGENCY

5 YEAR FINANCIAL STATEMENT ANALYSIS

	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015
Cash Flows From Operating Activities					
Cash Received from Providing Services	\$ 294,843	\$ 1,124,410	\$ 2,703,145	\$ 3,494,828	\$ 2,229,130
Cash Payments - Salaries Expense	(666,583)	(662,781)	(597,650)	(581,395)	(435,520)
Cash Payments - Contractual Expenses	(455,375)	(453,918)	(1,916,972)	(1,397,333)	(2,408,219)
Net Cash Provided (Used) by Operating Activities	(827,115)	7,711	188,523	1,516,100	(614,609)
Cash Flows From Non-Capital Financing Activities					
Principal Payments from County	36,842	5,000	12,070	83,918	89,039
Net Cash Provided (Used) by Non-Capital Financing Activities	36,842	5,000	12,070	83,918	89,039
Cash Flows From Capital and Related Financing Activities					
Grant Revenue		784,194	3,865,806		
Sale of Capital Assets	1,837,684			720,183	
Sale (Purchase) of Property Held for Resale	1,811,099	(120,585)			
Purchase of Capital Assets	(8,723)	(23,936)	(3,499,227)	(1,090,158)	(1,951,516)
Loss on Sale of Assets	(3,088,783)				
Net Cash Provided (Used) by Capital and Related Financing Activities	551,277	639,675	366,579	(369,975)	(1,951,516)
Cash Flows From Investing Activities					
Principal Payments on Notes Receivable	42,055	40,814	142,944	130,752	306,994
Principal Payments on Loans Receivable	400,640	577,100	407,915	378,419	98,569
New Loans Issued	(485,000)	(690,000)	(804,500)		(562,120)
New Notes Issued					(710,000)
Mortgage Payments Received	24,162	77,642	31,480		
Purchase of Assets Held for Sale				(1,399,099)	
Sale of Assets Held for Sale					710,000
Investment Income	274,060	91,222	33,210	53,651	
Purchase of Investments	(984,269)	(3,384,384)			(5,224,267)
Sale of Investments	1,140,580	805,158		714,786	
Interest Income Received	61,272	163,138	72,822	53,651	37,743
Net Cash Provided (Used) by Investing Activities	473,500	(2,319,310)	(116,129)	(67,840)	(5,343,081)
Net Change in Cash and Cash Equivalents	234,504	(1,666,924)	451,043	1,162,203	(7,820,167)
Cash and Cash Equivalents, Beginning of Year	1,443,145	3,110,069	2,659,026	1,496,823	9,316,990
Cash and Cash Equivalents, End of Year	\$ 1,677,649	\$ 1,443,145	\$ 3,110,069	\$ 2,659,026	\$ 1,496,823
Reconciliation of Net Operating Gain (Loss) to Net Cash Provided (Used) by Operating Activities:					
Operating (Loss) Gain	\$ (94,852)	\$ (327,119)	\$ (79,000)	\$ 1,111,934	\$ (657,373)
Gain to Net Cash Provided by Operating Activities:					
Depreciation	227,941	226,549	132,571	347,313	347,925
(Increase) Decrease in Accounts Receivable	(52,500)	174,225	160,775	51,507	(51,507)
(Increase) Decrease in Notes Receivable	(993,900)				
Increase (Decrease) in Prepaid Expenses	43,226	(79,938)			7,945
Increase (Decrease) in Accounts Payable	60,398	13,994	7,069	10,876	(35,864)
Increase (Decrease) in Unearned Revenue	(17,428)		(32,892)	(5,530)	(225,735)
Net Cash Provided (Used) by Operating Activities	\$ (827,115)	\$ 7,711	\$ 188,523	\$ 1,516,100	\$ (614,609)

Note: Abstracted from Audited Financials - See Audit Reports for Complete Information

***BROOME COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
AND LOCAL DEVELOPMENT CORPORATION***

AUDIT FOCUS: REPORTING OBJECTIVES

- 1) Basic Financial Statements
 - *Management's Discussion and Analysis
 - *Statement of Net Position
 - *Statement of Revenues, Expenses, and Changes in Net Position
 - *Statement of Cash Flows
 - *Notes to Financial Statements
- 2) Report on Internal Control Over Financial Reporting and on Compliance and Other Matters

AUDIT APPROACH

- *Preliminary Planning
- *Consideration of Internal Control Over Financial Reporting
- *Tests of Controls
- *Tests of Compliance with Laws and Regulations
- *Substantive Testing Financial Information (Includes Analytical Review)

UNDERSTANDING THE AGENCY'S OPERATIONS

- *Services Provided
- *Assessment of Accounting and Reporting System
- *Nature of Activities
- *Special Reporting Requirements
- *Nature of Compliance Requirements
- *Assessment of Management

FACTORS AFFECTING THE SCOPE OF THE AUDIT

- *Effectiveness of Overall Financial Controls
- *Appropriate Segregation of Duties
- *Ability to Demonstrate Compliance with Laws and Regulations
- *Effectiveness of Budget Process Administration
- *Accuracy and Comprehensiveness of Internal Reporting
- *Existence of Adequate Policies and Procedures
- *Ability to Issue Timely and Accurate Financial Reports

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE AT THE CONCLUSION OF THE AUDIT

Board of Directors
Broome County Local Development Corporation
Binghamton, New York

We have audited the financial statements of the Broome County Local Development Corporation (the Corporation), a component unit of the County of Broome, New York, for the year ended December 31, 2019. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated December 18, 2019. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Corporation are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2019. We noted no transactions entered into by the Corporation during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no significant accounting estimates.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no misstatements, other than those that are trivial, detected as a result of audit procedures.

Disagreements With Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated _____, 2020.

Management Consultations With Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Corporation's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Agency's auditors. However, these discussions occurred in the normal course of our professional relationship, and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Management's Discussion and Analysis, which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Schedule of Indebtedness, which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Board of Directors, Audit Committee, and management of the Corporation and is not intended to be, and should not be, used by anyone other than these specified parties.

Respectfully submitted,

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
_____, 2020

DRAFT

**BROOME COUNTY
LOCAL DEVELOPMENT CORPORATION**

Binghamton, New York

FINANCIAL REPORT

**For the Year Ended
December 31, 2019**

BROOME COUNTY
LOCAL DEVELOPMENT CORPORATION

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Broome County Local Development Corporation
Binghamton, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the Broome County Local Development Corporation (the Corporation), a component unit of the County of Broome, New York, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Corporation's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Broome County Local Development Corporation as of December 31, 2019 and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4-4b be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Corporation's basic financial statements. The Schedule of Indebtedness is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Indebtedness is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Indebtedness is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated _____, 2020, on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Broome County Local Development Corporation's internal control over financial reporting and compliance.

Respectfully submitted,

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
_____, 2020

DRAFT

BROOME COUNTY LOCAL DEVELOPMENT CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2019

The following Management's Discussion and Analysis (MD&A) provides a comprehensive overview of the Broome County Local Development Corporation's (the Corporation) financial position as of December 31, 2019 and the result of its operations for the year then ended. Management has prepared the financial statements and related footnote disclosures along with this MD&A. The MD&A should be read in conjunction with the audited financial statements and related footnotes of the Corporation, which directly follow the MD&A.

FINANCIAL HIGHLIGHTS

- Assets of the Corporation exceeded liabilities at the close of the fiscal year ended December 31, 2019 by \$185,569 compared to \$139,468 at December 31, 2018.
- Total revenues in 2019 were \$258,352 compared to revenues of \$199,625 in 2018.
- Total expenses were \$212,251 in 2019 compared to expenses of \$181,141 in 2018.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

The financial statements of the Corporation have been prepared in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB).

The basic financial statements consist of a Statement of Net Position, a Statement of Revenues, Expenses and Changes in Net Position, a Statement of Cash Flows, and accompanying notes. These statements provide information on the financial position of the Corporation and the financial activity and results of its operations during the year. A description of these statements follows:

- **The Statement of Net Position** presents information on all of the Corporation's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Corporation is improving or deteriorating.
- **Statement of Revenues, Expenses, and Changes in Net Position** presents information showing the change in the Corporation's net position during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of cash flows. Thus, revenues and expenses reported in this statement include all items that will result in cash received or disbursed in future fiscal periods.
- **Statement of Cash Flows** provides information on the major sources and uses of cash during the year. The cash flow statement portrays net cash provided or used by operating, non-capital financing, capital financing, and investing activities.

BROOME COUNTY LOCAL DEVELOPMENT CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2019

FINANCIAL ANALYSIS OF THE CORPORATION AS A WHOLE

Our analysis below focuses on the net position (*Figure 1*) and change in net position (*Figure 2*) of the Corporation's activities.

Figure 1

Condensed Statement of Net Position	Business-Type Activities and Total Corporation		Total Dollar Change
	2018	2019	2018 - 2019
Current Assets:			
Cash - Unrestricted	\$ 148,862	\$ 114,269	\$ (34,593)
Accounts Receivable		75,000	75,000
Total Current Assets	148,862	189,269	40,407
Total Assets	148,862	189,269	40,407
Current Liabilities:			
Accounts Payable	9,394	3,700	(5,694)
Total Current Liabilities	9,394	3,700	(5,694)
Total Liabilities	9,394	3,700	(5,694)
Net Position:			
Unrestricted	139,468	185,569	46,101
Total Net Position	\$ 139,468	\$ 185,569	\$ 46,101

Total assets increased 27.14%. This change stems from an increase in accounts receivable related to grants to be received by the Corporation.

Our analysis in *Figure 2* shows the operations of the Corporation's activities.

Figure 2

Change in Net Position	Business-Type Activities and Total Corporation		Total Dollar Change
	2018	2019	2018 - 2019
Operating Revenues:			
Fee Income	\$ 24,675	\$ 175,175	\$ 150,500
Other Income	174,950	83,177	(91,773)
Total Revenues	\$ 199,625	\$ 258,352	\$ 58,727
Operating Expenses:			
Sponsorship Expenses	\$ 152,239	\$ 148,641	\$ (3,598)
General and Administrative Expenses	31,902	63,610	31,708
Total Expenses	\$ 184,141	\$ 212,251	\$ 28,110
CHANGE IN NET POSITION	\$ 15,484	\$ 46,101	\$ 30,617

BROOME COUNTY LOCAL DEVELOPMENT CORPORATION

MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2019

Total revenue increased 29.42%. This change stems from an increase in fee revenue due to the issuance of additional bonds during the year. This was partially offset by a decrease in other income due to one-time receipts related to the good life sponsorship. Total expenses increased 15.27%. This increase was the result of additional professional expenses related to the issuance of aforementioned bonds.

FACTORS BEARING ON THE CORPORATION'S FUTURE

- The Corporation will continue to look for funding opportunities to further its mission of promoting local development. Each year, the Corporation will evaluate opportunities for investment of its resources in furthering this mission. During 2019 the Corporation, in conjunction with the Broome County Industrial Development Agency, continued an aggressive Workforce and Talent Attraction campaign. The Corporation continued to seek donations from private individuals and corporations to support this effort. The Corporation will continue to support this initiative into 2020 and beyond.

CONTACTING THE CORPORATION'S FINANCIAL MANAGEMENT

This financial report is designed to provide the Corporation's clients, investors, and creditors with a general overview of the Corporation's finances and to demonstrate the Corporation's accountability for the money it receives. If you have questions about this report or needed additional financial information, contact the Broome County Local Development Corporation, 5 South College Drive Binghamton, New York 13905.

BROOME COUNTY
LOCAL DEVELOPMENT CORPORATION

STATEMENT OF NET POSITION
DECEMBER 31, 2019

ASSETS

Current Assets

Cash and Cash Equivalents
Accounts Receivable

\$ 114,269
75,000

Total Assets

\$ 189,269

LIABILITIES AND NET POSITION

LIABILITIES

Current Liabilities

Accounts Payable

\$ 3,700

Total Liabilities

3,700

NET POSITION

Unrestricted

185,569

Total Net Position

185,569

Total Liabilities and Net Position

\$ 189,269

See Notes to Financial Statements

BROOME COUNTY
LOCAL DEVELOPMENT CORPORATION

STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2019

Operating Revenues	
Fee Income	\$ 175,175
Other Income	<u>83,177</u>
Total Operating Revenues	<u>258,352</u>
Operating Expenses	
Sponsorship Expenses	148,641
General and Administrative Expenses	<u>63,610</u>
Total Operating Expenses	<u>212,251</u>
Operating Income	46,101
Net Position, January 1, 2019	<u>139,468</u>
Net Position, December 31, 2019	<u><u>\$ 185,569</u></u>

See Notes to Financial Statements

BROOME COUNTY

LOCAL DEVELOPMENT CORPORATION

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED DECEMBER 31, 2019

Cash Flows From Operating Activities	
Cash Received from Providing Services	\$ 100,175
Cash Received from Other Sources	83,177
Cash Payments to Vendors	<u>(217,945)</u>
Net Cash Provided (Used) by Operating Activities	<u>(34,593)</u>
Net Change in Cash and Cash Equivalents	(34,593)
Cash and Cash Equivalents, January 1, 2019	<u>148,862</u>
Cash and Cash Equivalents, December 31, 2019	<u>\$ 114,269</u>
Reconciliation of Net Operating Income to Net Cash Provided (Used) by Operating Activities:	
Operating Income	\$ 46,101
Adjustments to Reconcile Net Operating Income to Net Cash Provided (Used) by Operating Activities:	
(Increase) Decrease in Accounts Receivable	(75,000)
Increase (Decrease) in Accounts Payable	<u>(5,694)</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ (34,593)</u>

See Notes to Financial Statements

BROOME COUNTY LOCAL DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

***Note 1* Summary of Significant Accounting Policies**

The financial statements of the Broome County Local Development Corporation (the Corporation) have been prepared in conformity with generally accepted accounting principles of the United States (U.S. GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing U.S. GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant of the Corporation's accounting policies are described below.

Financial Reporting Entity

The Corporation was established in 2011 and is governed by its Articles of Incorporation, bylaws, and general laws of the State of New York. The Corporation is a discretely presented component unit of Broome County's basic financial statements due to the County's ability to influence the decisions of the Corporation. The Corporation's Board of Directors is comprised of individuals appointed by the county.

The financial reporting entity consists of (a) the primary government which is the Broome County Local Development Corporation; (b) organizations for which the primary government is financially accountable; and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth in GASB Statement No. 14, "The Financial Reporting Entity," as amended.

The decision to include a potential component unit in the County's reporting entity is based on several criteria set forth in GASB Statement No. 14, "The Financial Reporting Entity," as amended.

BROOME COUNTY LOCAL DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

Note 1 Summary of Significant Accounting Policies - Continued

Basis of Accounting

The accounts of the Corporation are maintained on the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned. Material revenues accrued include administrative fees. Expenses are recorded when the liability is incurred.

Cash and Cash Equivalents

The Corporation considers all highly liquid investments having an original maturity of three months or less to be cash equivalents.

Equity Classifications

Equity is classified as net position and displayed in two components:

- **Restricted:** Consists of net resources with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments; or 2) law through constitutional provisions or enabling legislation. The Corporation had no restricted resources at year-end.
- **Unrestricted:** Consists of all other resources that do not meet the definition of "restricted."

Tax-Exempt Bond Transactions

The Corporation is an issuer of tax-exempt bond financing for qualified projects. These bonds are the obligation of the borrower. Because the Corporation has no obligation to repay the principal and interest of such bonds, they are not reflected as liabilities in the accompanying financial statements. The Corporation receives bond issuance fees from the borrower for providing this service. Bond issuance fees are recognized immediately upon issuance of the related bond. The Corporation issued one bond during 2019. The accompanying Schedule of Indebtedness summarizes outstanding tax-exempt bond issues.

Fee Income

The Corporation charges a service fee for each qualified project tax-exempt bond financing it issues, which is intended to be used to fund continuing operations.

Unearned Revenue

Unearned revenue arises when resources are received by the Corporation before it has legal claim to them. In subsequent periods, when the Corporation has legal claim to the resources, the liability for unearned revenue is removed and revenue is recorded.

BROOME COUNTY LOCAL DEVELOPMENT CORPORATION

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2019

Note 2 Cash and Cash Equivalents

State statutes govern the Corporation's investment policies. In addition, the Corporation has its own written investment policy. Monies must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the state. The 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 or its localities.

Collateral is required for demand deposits and certificates of deposit for the Corporation at 105% and 100%, respectively, 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 Corporation of \$115,519 at December 31, 2019 are covered by FDIC insurance up to \$250,000. As of December 31, 2019, all deposits with financial institutions were insured with securities held by the pledging financial institution in the entities' name.

Note 3 Commitments and Contingencies

The Corporation is exposed to various risks of loss related to theft of, damage to, and destruction of assets, injuries to employees and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Settled claims from these risks have not exceeded commercial insurance.

The Corporation has received grants and/or program funds which are subject to audit by agencies of the state and federal governments. Such audits may result in disallowances and a request for return of funds. The Corporation believes disallowances, if any, will be immaterial.

Note 4 Related Party

The Broome County Industrial Development Agency (the Agency) performs administrative and supporting services for the Corporation. In addition, members of the Agency's Board of Directors make up the Board of Directors for the Corporation.

BROOME COUNTY LOCAL DEVELOPMENT CORPORATION

SCHEDULE OF INDEBTEDNESS DECEMBER 31, 2019

Month and Year	Current Interest Rate	Outstanding Beginning of Fiscal Year	Issued During Fiscal Year	Paid During Fiscal Year	Outstanding End of Fiscal Year	Final Maturity
BCC Housing Development Corp. Revenue Bond	7/2013	*	\$ 16,494,987	\$	\$ 16,049,981	6/2043
Good Shepard Continuing Care Revenue Bond	3/2015	3%	43,215,000	1,410,000	41,805,000	7/2040
UHS - Binghamton General Hospital	2/28/2019	Variable/Fixed Conversion		18,905,210	18,905,210	3/1/2029
TOTAL			\$ 59,709,987	\$ 1,855,006	\$ 76,760,191	

* Calculated at the Bank Permanent Interest Rate, which is equal to (LIBOR rate + 2.10%) x 67%

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Board of Directors
Broome County Local Development Corporation
Binghamton, New York

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Broome County Local Development Corporation (the Corporation), a component unit of the County of Broome, New York, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated _____, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Corporation's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
_____, 2020

MANAGEMENT COMMENT LETTER

Board of Directors
Broome County Local Development Corporation
Binghamton, New York

In planning and performing our audit of the financial statements of the Broome County Local Development Corporation (the Corporation), as of and for the year ended December 31, 2019, in accordance with auditing standards generally accepted in the United States of America, we considered the Corporation's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Corporation's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations during our audit, we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This communication is intended solely for the information and use of management, the Board of Directors, Audit Committee, and management of the Corporation, and is not intended to be, and should not be, used by anyone other than these specified parties.

Respectfully submitted,

Insero & Co. CPAs, LLP
Certified Public Accountants

Ithaca, New York
_____, 2020

BROOME COUNTY LOCAL DEVELOPMENT CORPORATION
WHISTLE-BLOWER POLICY

Every member of the Board of Directors (the "Board") of the Broome County Local Development Corporation (Corporation) and all officers and employees thereof, in the performance of their duties, shall conduct themselves with honesty and integrity and observe the highest standard of business and personal ethics set forth in the Code of Ethics of the Corporation (the "Code.")

Each member, officer or employee is responsible to report any violation of the Code (whether suspected or known) to the Corporation's Executive Director or Chairman of the Board of the Corporation. Reports of violations will be kept confidential to the extent possible. No individual, regardless of their position in the Corporation, will be subject to any retaliation for making a good faith claim and, any employee who chooses to retaliate against someone who has reported a violation, shall be subject to disciplinary action, which may include termination of employment. Regardless, any claim of retaliation will be taken and treated seriously and irrespective of the outcome of the initial report of violation or complaint, will be treated as a separate offense.

The Executive Director or Chairman of the Board of the Corporation is responsible for immediately forwarding any violation or claim to the Corporation's counsel who shall investigate and handle the claim in a timely manner.

In accordance with Public Authorities Law Section 2857, no state or local authority shall fire, discharge, demote, suspend, threaten, harass or discriminate against an employee because of the employee's role as a whistleblower, insofar as the actions taken by the employee are legal.

BROOME COUNTY LOCAL DEVELOPMENT CORPORATION CODE OF ETHICS

The members of the board (the "Board") of the Broome County Local Development Corporation (the "Agency"), a not-for-profit corporation of the State of New York (the "State"), along with the officers and staff of the Agency, shall comply with and adhere to the provisions of the outlined Code of Ethics ("Code").

ARTICLE I CONFLICTS OF INTEREST

A conflict of interest is a situation in which the financial, familial, or personal interests of a director, officer or employee come into "actual" or "perceived" conflict with their duties and responsibilities with the Agency. "Perceived" conflicts of interest are situations where there is the appearance that a director, officer or employee can personally benefit from actions or decisions made in their official capacity, or where a director, officer or employee may be influenced to act in a manner that does not represent the best interests of the Agency. The perception of a conflict may occur if circumstances would suggest to a reasonable person that a director, officer or employee may have a conflict. "Actual" conflicts of interest are situations where a director, officer or employee can personally benefit from actions or decisions made in their official capacity, or where a director, officer or employee is influenced to act in a manner that does not represent the best interests of the Agency. Except for Prohibited Conflicts of Interest as set forth in Article V herein, Perceived and Actual conflicts of interest should be treated in the same manner for purposes of disclosure under Article IV herein.

ARTICLE II STANDARDS OF CONDUCT

Each director, officer, and employee of the Agency shall: (1) not accept other employment which will impair his or her independence of judgment in the exercise of his or her official duties; (2) not 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) not 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) not use or attempt to use his or her official position to secure unwarranted privileges or exemptions for himself, herself or others except that nothing herein shall prohibit any business or enterprise in which such director, officer or employee may have a financial interest from obtaining financial assistance provided that the Prohibited Conflicts of Interest provisions of Article V herein are not violated; (5) not engage in any transaction as a representative or agent of Agency 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, except that nothing herein shall prohibit any business or enterprise in which such director, officer or employee may have a financial interest from obtaining financial assistance provided that the Prohibited Conflicts of Interest provisions of Article V herein are not violated; (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, except that nothing herein shall prohibit any business or enterprise in which such director, officer or employee may have a financial interest from obtaining financial assistance provided that the Prohibited Conflicts of Interest provisions of Article V herein are not violated; 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. Notwithstanding anything herein to the contrary, nothing shall prohibit any director, officer or employee of the Agency from acquiring property adjacent to or otherwise proximate to the lands in which the Agency has an ownership interest provided that such acquisition is not based upon the use of confidential information obtained by such director, officer or employee of the Agency in his capacity with the Agency as determined by such member after consultation with Chairman of the Agency and Counsel to the Agency.

ARTICLE III GIFTS

No director, officer or employee of the Agency shall directly or indirectly, solicit any gift, or accept or receive any gift having a value of seventy-five dollars or more under circumstances in which it could reasonably be inferred that the gift was intended to influence such individual, or could reasonably be expected to influence such individual, in the performance of the individual's official duties or was intended as a reward for any official action on the individual's part. Inferences that gifts having a value of less than seventy-five dollars can influence or reward directors, officers or employees of the Agency is deemed to be unreasonable.

ARTICLE IV PROCEDURES FOR DISCLOSURE

Except for Prohibited Conflicts of Interest as set forth in Article V below, all directors, officers or employees of the Agency shall adhere to the following procedures:

1. All Actual and Perceived conflicts of interest shall be disclosed in writing to the Ethics Officer as soon as practicable after learning of the Actual or Perceived conflict of interest. The written disclosure must (i) identify the matter before the Agency, (ii) identify the Standard of Conduct in question and (iii) contain sufficient facts and circumstances in order to accurately convey the extent of the director's, officer's or employee's interest in such matter. In addition, in the event a director on the board of the Agency has a conflict, he or she shall verbally disclose the conflict during a public session of a board meeting at which the matter creating the conflict appears on the agenda. Such verbal disclosure shall be recorded in the minutes of the meeting and be made part of the public record.

2. The director, officer or employee with the conflict of interest shall refrain from participating in discussions or decisions on the matter creating the conflict. In addition, in the

event a director on the board of the Agency has a conflict, he or she shall recuse him or herself from any deliberations and abstain from voting on such matter creating the conflict.

3. The director, officer or employee with the conflict of interest shall refrain from directly or indirectly attempting to influence the discussions, decisions, deliberations or vote on the matter giving rise to such conflict.

ARTICLE V PROHIBITED CONFLICTS OF INTEREST

Notwithstanding any other provision contained in this Policy, financial conflicts of interest shall be governed solely by this Article V.

Prohibition: No director, officer or employee shall have a direct or indirect financial interest in a contract with the Agency where such director, officer or employee has some form of control over the contract ("Prohibited Interest").

No Cure: Disclosure and recusal will not cure a Prohibited Interest. In order to avoid a violation of a "Prohibited Interest" the contract may not be acted upon or the director, officer or employee would have to resign.

Violations: Any director, officer or employee who is determined to have "willfully and knowingly" violated the Prohibited Interest provisions of Article V may be found guilty of a misdemeanor. In addition, the contract, if willfully entered into, may be determined "null, void and wholly unenforceable"

Exceptions: There are fifteen exceptions to the Prohibited Interest provision. One of the more commonly claimed exceptions comes into play when the director, officer or employees ("officials") interest in the contract is prohibited solely by reason of the official's employment with the entity that has the contract with the Agency. This exception applies provided: (a) the official's compensation from the private employer is not contingent upon the contract between the employer and the Agency and (b) the official's duties for the private employer do not directly involve the procurement, preparation or performance of any part of the contract. [Note: This exception does not cover an Agency official who is a director, partner, member, or shareholder of the private employer]. The second most commonly claimed exception is where the official has an interest in a contract that was entered into with the Agency prior to the time the official was elected or appointed as such director, officer or employee of the Agency. Provided, however, this exception does not authorize the renewal of any such contract.

Disclosure of Exception: Disclosure of Interest that falls within one of the Exceptions: The official is required to publicly disclose the nature and extent of his or her prospective, existing or subsequently acquired interest in any actual or proposed contract. The disclosure must be made in writing and must be placed, in its entirety, in the official record. The official must recuse him or herself from participating in any discussion or action on the contract.

Notification of Potential Conflict due to a Financial Interest: Every director, officer or employee shall immediately notify the Agency's Ethics Officer of any potential conflict of interest due to a direct or indirect financial interest in any matter coming before the Agency where such director, officer or employee has the power or duty to negotiate, prepare, authorize or approve the matter before the Agency. The Ethics Officer shall review the potential financial conflict of interest in consultation with Agency counsel.

ARTICLE VI PENALTIES

Any employee that fails to comply with this Policy may be subject to termination. In addition, any director, officer or employee that fails to comply with this Policy may be penalized in a manner provided for in law.

ARTICLE VII ETHICS OFFICER

The Agency's Board shall designate an officer, director or employee of the Agency to serve as the Ethics Officer of the Agency. In the event of a vacancy, the Agency Board Chair shall serve as the Ethics Officer until such time as the Agency Board appoints a successor.

The Ethics Officer shall report to the Governance Committee. The Ethics Officer shall have the powers and duties set forth below, and such other powers and duties as may be prescribed by the Board:

1. Advise in confidence each director, officer or employee of the Agency who seeks guidance regarding ethical behavior.
2. Receive and record disclosures of conflicts of interest in the record of the Agency.
3. Receive and investigate complaints about possible violations of this Code of Ethics. Dismiss complaints found to be without substance.
4. Prepare investigative reports of his or her findings to be submitted for action by the Board.
5. Seek consultation and guidance from Agency Counsel.

**BROOME COUNTY LOCAL DEVELOPMENT CORPORATION
DEFENSE AND INDEMNIFICATION POLICY**

The Broome County Local Development Corporation (Corporation), shall indemnify all Directors of the Board and each officer and employee thereof, in the performance of their duties, and to the extent authorized by the Board, each other person authorized to act for the Corporation or on its behalf, to the full extent to which indemnification is permitted under the Laws of the State of New York.

**BROOME COUNTY LOCAL DEVELOPMENT CORPORATION
COMPENSATION, REIMBURSEMENT AND ATTENDANCE POLICY**

The Directors of the Board of the Broome County Local Development Corporation (the "Board") shall serve without salary at the pleasure of the Legislature of the County of Broome, New York (the "MUNICIPALITY") but may be reimbursed for reasonable expenses incurred in the performance of Corporation duties at the approval of the Board.

The officers, employees and agents of the Corporation shall serve at the pleasure of the Corporation at such compensation levels as may be approved by the Board from time to time and may be reimbursed for reasonable expenses incurred in the performance of Corporation duties at the approval of the Board.

The Directors of the Board and officers of the Corporation shall be available as required to perform the operations of the Corporation and as set forth within the By-Laws of the Corporation, as may be amended, restated or revised by the Board from time to time. Said Directors and officers of the Corporation shall put forth their best efforts to perform their respective duties as outlined in the By-Laws of the Corporation and any other directives of the Board relating to same.

**BROOME COUNTY LOCAL DEVELOPMENT CORPORATION
TRAVEL POLICY**

Section 1. APPILICABILITY

This policy shall apply to every Director of the Board (the "Board") of the Broome County Local Development Corporation (the "Corporation") and all officers and employees thereof.

Section 2. APPROVAL of TRAVEL

All official travel for which a reimbursement will be sought must be approved by the Executive Director prior to such travel. Provided, however, in the instance where the Executive Director will seek reimbursement for official travel, such travel must be pre-authorized by the Chairman of the Board of the Corporation.

Section 3. PAYMENT of TRAVEL

The Corporation will reimburse all reasonable expenses related to meals, travel and lodging that were incurred by any director, officer or employee as a result of the performance of their official duties. . All official travel shall be properly authorized, reported and reimbursed. Under no circumstances shall expenses for personal travel be charged to, or temporarily funded by the Agency. It is the traveler's responsibility to report his or her travel expenses in a responsible and ethical manner, in accordance with this policy.

Section 4. TRAVEL EXPENSES

Travelers may use their private vehicle for business purposes if it is less expensive than renting a car, taking a taxi, or using alternative transportation, or if it saves time. The traveler will be reimbursed at the maximum rate allowed by the Internal Revenue Service.

Meals will be reimbursed at actual expense or a per diem rate, whichever is less. Lodging will be reimbursed at actual expense up to certain daily rate caps established for various locations. The applicability of such caps shall be determined on a case by case basis taking into consideration availability of lodging and other extenuating circumstances.

Reimbursement for miscellaneous expenses shall be determined on a case by case basis. Mileage rates, per diem allowances and lodging caps will be established and from time to time amended by the Treasurer. All determinations made pursuant to this section shall be made by the Treasurer. In the instance where such determinations regard the travel of the Treasurer, the Chairman shall make such determinations.

Authority Mission Statement and Performance Measurements

Local Public Authority Name: Broome County Local Development Corporation

Fiscal Year: January 1, 2019 – December 31, 2019

Mission Statement: The Broome County Local Development Corporation actively fosters economic growth in Broome County and Greater Binghamton. The Corporation aims to provide new and expanding businesses with the best tools available including real estate and market information, incentives, financial assistance, and general support. We demonstrate integrity in all that we do. We support projects that offer clear public benefits including investment, job creation, job retention, and increased quality of life. We are committed to building a strong and diverse economy in Broome County and Greater Binghamton.

Date Adopted: March 8, 2013

List of 2020 Performance Goals:

1. Seek long-term financial sustainability of the LDC.
2. Provide training for the LDC Board of Directors.
3. Develop a joint strategy with the Chamber of Commerce to continue advancing the *Broome County...a good life™* campaign.
4. Link the existing county-wide promotion program with the new talent attraction strategy.
5. Continued ABO compliance.

Authority Stakeholder(s): Broome County Legislature

Authority Beneficiaries: The residents of Broome County

Authority Customers: The residents and businesses of Broome County

Authority self-evaluation of 2019 performance:

1. Investigated new funding strategies for the *Broome County...a good life™* campaign.
2. Continued to respond to the most critical issues and barriers identified by the business community.
3. Still pursuing long-term financial sustainability.
4. Continued efforts to ensure transparency and compliance with the ABO.

Governance Certification:

1. Have the board members acknowledged that they have read and understood the mission of the public authority?

Board of Directors Response: Yes

2. Who has the power to appoint management of the public authority?

Board of Directors Response: The Corporation has no direct employees.

3. If the Board appoints management, do you have a policy you follow when appointing the management of the public authority.

Board of Directors Response: N/A

4. Briefly describe the role of the Board and the role of management in the implementation of the mission.

Board of Directors Response: The Board provides oversight, sets policy, and sets the strategic direction for the Agency. Agency management works closely with the board to ensure the Agency's activities are always in line with the mission of the organization.

5. Has the Board acknowledged that they have read and understood the response to each of these questions?

Board of Directors Response: Yes