

AGENDA

Town of Hempstead Local Development Corporation

Board Meeting

Nathan L. Bennett Pavilion*

One Washington Street, Hempstead, NY

Thursday, March 24, 2022, 9:30 AM

or following the Town of Hempstead IDA Meeting

- *Notes: Masks are no longer mandated. The Town of Hempstead LDC continues to encourage social distancing at public meetings.

A Livestream of the meeting may also be viewed at www.tohlcdc.org. Select “Watch Meetings.”

The Agenda will include but not be limited to:

Confirm the presence of a Quorum
Public Comment with respect to Agenda Items

New Business:

- Consideration and Adoption of the 2021 LDC Annual Financial Report
- Consideration and Adoption of the 2021 LDC Audited Financial Statements
- Consideration and Adoption of the LDC Mission Statement
- Consideration and Adoption of the LDC Measurement Report
- Consideration and Adoption of Self Evaluation Policy and Procedures
- Consideration and Adoption of Investment Policy and Guidelines
- Consideration and Adoption of Property Disposition Policy
- Consideration and Adoption of Operations and Accomplishments of 2021
- Consideration and Adoption of Assessment of Effectiveness of Internal Controls
- Consideration and Adoption of Purchasing Guidelines
- Consideration and Adoption of Code of Ethics
- Consideration and Adoption of Contracting/Compliance Officer

Reading and approval of the minutes:

- Consideration and approval of the Minutes of February 24, 2022

Report of the treasurer:

- Financial Statements & Expenditure List
February 18, 2022 – March 17, 2022

Committee Updates:

Adjournment:

Chairman Approval: 3/10/22

Contact: Michael Lodato, Corporate Administrator
MLodato@tohmail.org
516-489-5000 x3706

RESOLUTION

TOWN OF HEMPSTEAD LOCAL DEVELOPMENT CORPORATION

ADOPTION OF 2021 ANNUAL FINANCIAL REPORT

WHEREAS, pursuant to the Public Authority Accountability Act of 2005, the Town of Hempstead Local Development Corporation shall prepare and make available for public inspection and filing its 2021 Audited Financial Report and;

WHEREAS, the proposed 2021 Town of Hempstead Local Development Corporation Annual Financial Report is to be filed with several governmental offices within the State of New York as required by the Public Authority Accountability Act of 2005 by March 31 ,2022 and;

WHEREAS, the Agency, at its regular meeting on March 24, 2022, has considered and adopted its 2021 Annual Financial Report in its proposed form; to be filed no later than March 31, 2022,

NOW, THEREFORE, BE IT

RESOLVED, the Town of Hempstead Local Development Corporation hereby adopts the 2021 Annual Financial report and will file it with the Authority Budget Office, the New York State Comptroller's Office through the PARIS system, the Town of Hempstead Senior Councilman, the Town of Hempstead Town Clerk, the Town of Hempstead Comptroller's Office, the Supervisor of the Town of Hempstead, and the Director of the New York State Division of Budget, the New York State Department of Taxation and Empire State Development Corp.

Adopted: March 24, 2022

(ayes)

(nays)

Resolution Number: 016 -2022 LDC

Chairman, Florestano Girardi

Project Name	Project Address	Project Code	Original Bond Amt.	Bond Series	Current FTE	Jobs to be retained in App.	Jobs created previous to 21'	Jobs created during 21'
Adelphi University 2011 (Refinanced in 2021)	South Avenue Garden City, NY 11530	LDC 0095-6/11	23,000,000.00		1587	0	0	9
Adelphi University 2013	South Avenue Garden City, NY 11530	LDC 013-9/13	45,080,000		1587	0	0	35
Adelphi University 2014	South Avenue Garden City, NY 11530	LDC 016-9/14	33,535,000.00		1587	Reflected in 2018 App	927	15
Molloy College 2014	1000 Hempstead Avenue Rockville Centre, NY 11571	LDC 017-9/14	30,000,000		954			38
Hofstra University 2011	128 Hofstra University Hempstead, NY 11549	LDC 010-10/11	70,420,000.00		2025.5	2159		76
Hofstra University 2013	128 Hofstra University Hempstead, NY 11549	LDC 012-3/13	66,495,000.00		2025.5	2144.5		58
LIFE's Waco 2012	1517 Franklin Avenue Garden City, NY 11530	LDC 011-3/12	10,620,000 Series 2012B-1 445,000 Series 2012B-2 (TAXABLE)		903	RETIRED	RETIRED	0
Hofstra University 2017	128 Hofstra University Hempstead, NY 11549	LDC 018-3/17	54,520,000.00		2025.5	2,159		0
Molloy College 2017	1000 Hempstead Avenue Rockville Centre, NY 11571	LDC 019-4/17	43,250,000		954	Reflected in 2018 App	927	5
Academy Charter School 2017	117 North Franklin Street Hempstead, NY 11530	LDC 020-4/17	35,900,000.00 2017A 2,685,000 2017B Taxable		79			84
Molloy 2018	1000 Hempstead Avenue Rockville Centre, NY 11571	LDC 023-8/18	15,000,000.00		954	Reflected in 2018 App	927	2.5
The Academy Charter School 2018 (Unaudited)	100 Charles Lindbergh Blvd Uniondale, NY 11553	LDC 022-3/18	19,520,000.00 2018A 1,345,000.00 2018B		85			63
Adelphi University 2019 (Refunding of 09 Bonds Plus New Money)	South Avenue Garden City, NY 11530	LDC 025-03/19	24,985,000.00 2019A		1587		2993	0
Circle Dr. La Hispanidad/Exprezent Charter	605 Peninsula Blvd Hempstead, NY 11550	LDC 024-1/19	2,470,000 A1 11,170,000 A2 900,000 B		139		87	38.5
The Academy Charter School 2020 (Includes ref of 11 and 13)	100 Charles Lindbergh Blvd Uniondale, NY 11553	LDC 026-3/20A (Unaudited Jobs) LDC 026-3/20B (Hempstead Jobs) LDC 026-3/20C	\$35,860,000 2020A 22,135,000.00 2020B \$945,000 2020C		102 47.5 0	51 61		0 42 0
Adelphi University 2021 (Refunding of 11 Bonds)	South Avenue Garden City, NY 11530	LDC 028-1/21	\$13,520,000 A		1,587 (Reflective of whole school)	1707		
The Academy Charter School 2021	100 Charles Lindbergh Blvd Uniondale, NY 11530	LDC 029-3/21	\$45,965,000.00 2021A \$650,000.00 2021B		96.5 (Reflective of other series)	96.5		96.5
Hofstra University 2021 (Refunding of 11 Bonds)	128 Hofstra University Hempstead, NY 11549	LDC 030-3/21	\$90,930,000 2021A \$12,320,000.00 2021B		2,025.50 (Reflective of whole school)	2043.5		0
Adelphi University 09	\$6,075,000 Refunding 02 TOH IDA Bonds							
Adelphi University 11*	\$14,735,000 Refunding TOH IDA 02 Bonds							
Adelphi University 14*	\$33,435,000 Refunding TOH IDA 05 Bonds							
Hofstra University 13*	\$48,205,000 Refunding County IDA 98 Bonds							
Hofstra University 17*	\$56,025,000 Refunding 05 TOH IDA Bonds							
Hofstra University 17*	\$11,775,000.00 Refunding 07 TOH IDA Bonds							
St. John's University	\$14,520,000 Refunding of 09 TOH Bonds							
Adelphi 09	\$18,700,000 Refunding of 08 LDC Bonds							
Academy Charter School 2020	\$24,135,000.00 was refunded from 2011 Series							
Adelphi 2021	\$65,455,000.00 was refunded from 2011 Series							
2021 Annual Financial Report and Assessment of Project Progress	\$15,745,000.00 was refunded from 2011 Series							
Adopted: 3-24-22								
*No Paris Change/Epiphany Foundation had \$4 as to be retained initially; it should have been \$1 FTE, as reflected in the Application								
Hofstra's 11' Bond Series has a typographic error within the Paris system online. The State does not recommend we change it. The error says 38 jobs were to be created, the correct number is 36.								
Hofstra's 11' Bond Series has created 40 jobs in total, however they had a shortfall in 2016. This 40 is inclusive of those replacements.								
*All Jobs are Listed in FTEs 1FT = 1 FTE 1PT = .5 FTE								

Jobs planned to be created over course of Bonds	Date Bonds Issued	Outstanding Bonds	Bond Interest Rate	Bonds Expected Retired	Am't Principal Retired Previous to 21'	Am't of Principal Retired 21'
0	6/15/2011	0.00	2.5-5.0%	8/31/2039	\$8,165,000	16,835,000.00
5	1/1/2013	40,345,000	3-5%	9/1/2043	3,700,000	1,035,000
0	9/30/2014	27,450,000.00	4%	10/1/2035	4,675,000	1,410,000.00
16	11/14/2014	27,635,000.00	5%	7/1/2044	1,730,000	635,000.00
36	12/20/2011	0.00	4-5%	7/1/2041	486,900	654,550.00
3	6/20/2013	48,335,000.00	4.50%	7/1/2033	16,470,000	1,690,000
0	7/24/2012	6,070,000.00	3-4.25%	7/24/2042	4,630,000	530,000
0	7/24/2012	0.00	3-4.25%	7/24/2042	RETIRE	RETIRE
0	5/17/2017	50,680,000.00	3	7/1/2047	2,875,000	965,000
0	7/7/2017	\$38,335,000	3-5%	7/1/2039	3,620,000	1,295,000.00
91.5	8/10/2017	\$35,900,000.00	5	2/1/2047	0	0
0	8/10/2017	\$1,540,000.00	5-6%	2/1/2024	555,000	590,000.00
1.5	10/18/2018	\$14,350,000.00	5%	7/1/2048	400,000	250,000
41	6/26/2018	19,570,000.00	6	2/1/2048	0	0
0	6/26/2018	1,845,000.00	6	2/1/2027	0	100,000
0	5/9/2019	\$23,340,000	4.00%	2/1/39	865,000	840,000.00
21	8/8/2019	2,470,000	6.1	12/1/21	0	0
0	8/8/2019	1,170,000	6.8	12/1/2044	0	0
0	8/8/2019	270,000	6.35	12/1/2022	375,000.00	255,000
60.5	7/1/2020	\$35,860,000	4.76% - 5.73%	2/1/2050	0	0
17.5	7/1/2020	21,985,000.00	4.76% - 5.66%	2/1/2044	0	150,000
0	7/1/2020	\$945,000	6%	2/1/2025	0	0
0	3/31/2021	\$13,380,000	5%	6/1/2032	0	140,000
108	5/27/2021	\$45,965,000.00	4.05 - 4.6%	2/1/2051	0	0
0	5/27/2021	\$650,000.00	5%	2/1/2025	0	0
45	5/27/2021	\$90,930,000	3-5%	7/1/2051	0	0
0	5/27/2021	\$12,320,000.00	2-5%	7/1/2035	0	0

RESOLUTION
TOWN OF HEMPSTEAD
LOCAL DEVELOPMENT CORPORATION
ADOPTION OF 2021 AUDITED FINANCIAL
STATEMENTS

WHEREAS, pursuant to the Public Authority Accountability Act of 2005, the Town of Hempstead Local Development Corporation shall prepare and make available for public inspection and filing its 2021 Audited Financial Statements and;

WHEREAS, the proposed 2021 Town of Hempstead Local Development Corporation Audited Financial Statements are to be filed with several governmental offices within the State of New York as required by the Public Authority Accountability Act of 2005 by March 31 ,2022 and;

WHEREAS, the Corporation, at its regular meeting on March 24, 2022, has considered and adopted its 2021 Audited Financial Statements in their proposed form;

NOW, THEREFORE, BE IT

RESOLVED, the Town of Hempstead Local Development Corporation hereby adopts the 2021 Audited Financial Statements and will file them with the Authority Budget Office, the New York State Comptroller's Office through the PARIS system, the Town of Hempstead Senior Councilman, the Town of Hempstead Town Clerk, the Town of Hempstead Comptroller's Office, the Supervisor of the Town of Hempstead, and the Director of the New York State Division of Budget, the New York State Department of Taxation and Empire State Development Corp.

Adopted: March 24, 2022

(ayes)

(nays)

Resolution Number: 017 – 2022 LDC

Chairman, Florestano Girardi

Town of Hempstead
Local Development Corporation

COMMUNICATION WITH THOSE
CHARGED WITH GOVERNANCE

December 31, 2021

March 2, 2022

To the Board of Directors
Town of Hempstead Local Development Corporation
Hempstead, New York

We have audited the financial statements of the Town of Hempstead Local Development Corporation (the Corporation) for the year ended December 31, 2021. 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 November 8, 2021. 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 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2021. 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 basic 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.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosure affecting the financial statements was the disclosure of related party transactions in Note 6 to the financial statements.

The Corporation is a component unit of the Town of Hempstead, New York. During 2021 the Corporation granted \$750,000 to the Town of Hempstead under a services agreement for career planning, occupational skills training programs, career and computers skills workshops and other job training programs for the residents of the Town of Hempstead through the Town of Hempstead Department of Occupational Resources.

To the Board of Directors
Town of Hempstead Local Development Corporation
March 2, 2022
Page 2

The financial statements 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. We noted no such misstatements during the audit.

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 auditor's 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 March 2, 2022.

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 auditor's 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 Corporation's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

To the Board of Directors
Town of Hempstead Local Development Corporation
March 2, 2022
Page 3

Other Matters

We applied certain limited procedures to 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.

Restriction on Use

This information is intended solely for the information and use of the members of the Board of Directors, management of the Corporation, and the New York State Office of the State Comptroller, and is not intended to be, and should not be, used by anyone other than these specified parties.

Sheehan & Company CPA, P.C.

Brightwaters, New York
March 2, 2022

**Town of Hempstead
Local Development Corporation**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

December 31, 2021 and 2020

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	1
REQUIRED SUPPLEMENTARY INFORMATION:	
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
FINANCIAL STATEMENTS:	
STATEMENTS OF NET POSITION	8
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION	9
STATEMENTS OF CASH FLOWS.....	10
NOTES TO FINANCIAL STATEMENTS.....	11
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	18

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Town of Hempstead Local Development Corporation
Hempstead, New York

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Town of Hempstead Local Development Corporation (the Corporation), a component unit of the Town of Hempstead, New York, as of and for the years ended December 31, 2021 and 2020 and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Corporation as of December 31, 2021 and 2020 and the changes in its financial position and cash flows, thereof, for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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, and

for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standard* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

To the Board of Directors
Town of Hempstead Local Development Corporation
Page 3

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 7 be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 audits 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 2, 2022 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 solely 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 the effectiveness of the Corporation's 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 the Corporation's internal control over financial reporting and compliance.

Sheehan & Company CPA, P.C.

Brightwaters, New York
March 2, 2022

Town of Hempstead Local Development Corporation

Management's Discussion and Analysis Unaudited

Management's Discussion and Analysis

This section represents Management's Discussion and Analysis (MD&A) of the Town of Hempstead Local Development Corporation's (the Corporation), a component unit of the Town of Hempstead, financial condition and activities for the years ended December 31, 2021 and 2020. Please read this information in conjunction with the financial statements.

Financial Highlights - 2021 and 2020:

- The assets of the Corporation exceeded its liabilities at the close of 2021 and 2020 by \$2,065,151 and \$2,413,048, respectively. These funds are unrestricted and available to maintain the Corporation's continuing obligations.
- The Corporation's total net position decreased by \$347,897 for the year ended December 31, 2021 and increased by \$75,406 for the year ended December 31, 2020.

Overview:

The MD&A serves as an introduction to the basic financial statements and supplementary information. The MD&A represents management's examination and analysis of the Corporation's financial condition and performance.

The financial statements report information about the Corporation, which is a self-supporting entity that follows enterprise-type fund reporting. The Corporation applies full accrual accounting methods as used by similar business activities in the private sector. These statements offer short and long-term financial information.

The financial statements include statements of net position, statements of revenues, expenses and changes in net position, statements of cash flows and notes to the financial statements. The statements of net position include all of the Corporation's assets and liabilities, with the difference reported as net position.

The statements of revenues, expenses and changes in net position present the results of the Corporation's activities over the course of the year and information as to how the net position changed during the 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 the related cash flows.

The statements of cash flows present changes in cash and cash equivalents resulting from operating and other activities.

Town of Hempstead Local Development Corporation

Management's Discussion and Analysis Unaudited

The notes to the financial statements provide required disclosure and other information that is essential to a full understanding of material data provided in the statements. The notes present information about the Corporation's accounting policies, significant account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any.

Financial Analysis of the Corporation:

The statements of net position and the statements of revenues, expenses and changes in net position provide useful information about the Corporation's annual activities. The statements report the net position of the Corporation and the changes in net position. The amount of net position, the difference between total assets and total liabilities, is a significant measure of the financial health or financial position of the Corporation. Over time, increases or decreases in the Corporation's net position is one indicator of whether its financial health is improving or deteriorating. However, other non-financial factors should be considered in evaluating the Corporation's overall financial condition.

The following comparative condensed financial statements and other selected information serve as the financial data and indicators for management's monitoring and planning.

Condensed Net Position:

A summary of the Corporation's condensed statements of net position at December 31 is presented as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>Assets:</u>			
Current assets	<u>\$2,075,314</u>	<u>\$2,422,036</u>	<u>\$2,346,901</u>
Total assets	<u>2,075,314</u>	<u>2,422,036</u>	<u>2,346,901</u>
<u>Liabilities:</u>			
Current liabilities	<u>10,163</u>	<u>8,988</u>	<u>9,259</u>
Total liabilities	<u>10,163</u>	<u>8,988</u>	<u>9,259</u>
<u>Net position:</u>			
Unrestricted	<u>2,065,151</u>	<u>2,413,048</u>	<u>2,337,642</u>
Total net position	<u>\$2,065,151</u>	<u>\$2,413,048</u>	<u>\$2,337,642</u>

Town of Hempstead Local Development Corporation

Management's Discussion and Analysis Unaudited

Total assets as of December 31, 2021 were \$2,075,314, which exceeded total liabilities of \$10,163 by \$2,065,151 (net position). The Corporation's net position was unrestricted and available to support operations. Total assets decreased by \$346,722 (14.3%) at December 31, 2021 compared to 2020 due to a decrease in cash and cash equivalents. Total liabilities increased by \$1,175 (13.1%) at December 31, 2021 compared to 2020, due to an increase in amounts of accrued expenses related to a shared services agreement between the Corporation and a related organization, the Town of Hempstead Industrial Development Agency (the Agency). The Corporation's net position decreased by \$347,897 due to current year expenses exceeding current fee revenue.

Total assets as of December 31, 2020 were \$2,422,036, which exceeded total liabilities of \$8,988 by \$2,413,048 (net position). The Corporation's net position was unrestricted and thus available to support operations. Total assets increased by \$75,135 (3.2%) at December 31, 2020 compared to 2019, due to an increase in cash and cash equivalents. Total liabilities decreased by \$271 (2.9%) at December 31, 2020 compared to 2019, due to decreases in amounts of accrued expenses related to a shared services agreement between the Corporation and the Agency. The Corporation's net position increased by \$75,406.

Operating Results

The Corporation's condensed statements of revenues, expenses and changes in net position for the years ended December 31 are presented as follows:

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Operating revenues	\$ 556,330	\$ 225,726	\$ 230,709
Operating expenses	<u>904,227</u>	<u>152,463</u>	<u>148,385</u>
(Loss) Income from operations	<u>(347,897)</u>	<u>73,263</u>	<u>82,324</u>
Non-operating income	<u>-</u>	<u>2,143</u>	<u>12,015</u>
Change in net position	(347,897)	75,406	94,339
Net position, beginning of year	<u>2,413,048</u>	<u>2,337,642</u>	<u>2,243,303</u>
Net position, end of year	<u>\$2,065,151</u>	<u>\$2,413,048</u>	<u>\$ 2,337,642</u>

Town of Hempstead Local Development Corporation

Management's Discussion and Analysis **Unaudited**

The Corporation's operating revenues increased by \$330,604 (146.5%) from \$225,726 in 2020 to \$556,330 in 2021. The increase is attributable to more project fees being earned in 2021. There were three projects closed in 2021, while there was one project closed in 2020.

The Corporation's expenses increased to \$904,227 in 2021 from \$152,463 in 2020, an increase of \$751,764 (493.1%). This is primarily due to an increase in program support expenses. In 2021 the Corporation entered into an agreement with the Town of Hempstead Department of Occupational Resources for \$750,000 to support job training programs for the residents of the Town of Hempstead.

The Corporation's operating revenues decreased by \$4,983 (2.2%) from \$230,709 in 2019 to \$225,726 in 2020. The decrease in 2020 operating revenues is attributable to the Corporation earning less fees during 2020. There was one project closed in 2020, while there were two projects closed in 2019. The Corporation's expenses increased to \$152,463 in 2020 from \$148,385 in 2019, an increase of \$4,078 (2.7%). This is primarily due to an increase in salaries in 2020 as well as an increase in contractual and professional fees. In 2020 the Corporation utilized a transcription service to document its virtual Board of Director meetings as a result of the coronavirus pandemic.

Contacting the Corporation's Financial Management:

This financial report is designed to provide readers with a general overview of the Corporation's finances and to show the Corporation's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town of Hempstead Local Development Corporation at: 350 Front Street, Hempstead, New York 11550 or at: (516) 489-5000 ext. 3706.

**Town of Hempstead
Local Development Corporation**

STATEMENTS OF NET POSITION

December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Assets:		
Current assets:		
Cash and cash equivalents	\$ 2,067,314	\$ 2,420,036
Accounts receivable	<u>8,000</u>	<u>2,000</u>
Total assets	<u>2,075,314</u>	<u>2,422,036</u>
Liabilities:		
Current liabilities:		
Accrued expenses	<u>10,163</u>	<u>8,988</u>
Total liabilities	<u>10,163</u>	<u>8,988</u>
Net position:		
Unrestricted	<u>2,065,151</u>	<u>2,413,048</u>
Total net position	<u>\$ 2,065,151</u>	<u>\$ 2,413,048</u>

See notes to financial statements

-8-

**Town of Hempstead
Local Development Corporation**

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating revenues:		
Fees for services	\$ 556,330	\$ 225,726
Operating expenses:		
Salaries	96,262	100,841
Payroll taxes and fees	10,230	10,087
Rent	15,000	15,000
Contractual and professional fees	19,443	16,857
Advertising	5,000	5,000
Office and related expenses	7,417	3,803
Telephone expense	875	875
Program support	750,000	-
Total operating expenses	<u>904,227</u>	<u>152,463</u>
(Loss) Income from operations	<u>(347,897)</u>	<u>73,263</u>
Non-operating income:		
Interest income	<u>-</u>	<u>2,143</u>
Change in net position	(347,897)	75,406
Net position, January 1	<u>2,413,048</u>	<u>2,337,642</u>
Net position, December 31	<u><u>\$ 2,065,151</u></u>	<u><u>\$ 2,413,048</u></u>

See notes to financial statements

**Town of Hempstead
Local Development Corporation**

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Cash flows (used in) provided by operating activities:		
Cash received:		
From providing services	\$ 558,330	\$ 223,726
Cash payments:		
Contractual services	(804,560)	(41,806)
Personal services and employee benefits	<u>(106,492)</u>	<u>(110,928)</u>
Net cash (used in) provided by operating activities	<u>(352,722)</u>	<u>70,992</u>
 Cash flows from investing activities:		
Interest income	<u>-</u>	<u>2,143</u>
Net cash provided by investing activities	<u>-</u>	<u>2,143</u>
 Net change in cash and cash equivalents	(352,722)	73,135
 Cash and cash equivalents, January 1	<u>2,420,036</u>	<u>2,346,901</u>
 Cash and cash equivalents, December 31	<u>\$ 2,067,314</u>	<u>\$ 2,420,036</u>
 Reconciliation of Income From Operations to Net Cash (Used In) Provided By Operating Activities		
 (Loss) Income from operations	 <u>\$ (347,897)</u>	 <u>\$ 73,263</u>
 Adjustments to reconcile operating (loss) income to net cash (used in) provided by operating activities:		
Change in accounts receivable	(6,000)	(2,000)
Change in accrued expenses	<u>1,175</u>	<u>(271)</u>
Total adjustments to change in net assets	<u>(4,825)</u>	<u>(2,271)</u>
 Net cash (used in) provided by operating activities	 <u>\$ (352,722)</u>	 <u>\$ 70,992</u>

See notes to financial statements

-10-

Town of Hempstead Local Development Corporation

NOTES TO FINANCIAL STATEMENTS

1. Nature of activities:

The Town of Hempstead Local Development Corporation (the Corporation) was created in 1966 by the Town Board of the Town of Hempstead, under the provisions of the Laws of New York State. The Corporation is a corporation as defined in sub-paragraph (a)(5) of Section 102 of the Not-for-profit Corporation Law and is a Type C corporation with members under section 201 of said law. The purpose of the Corporation is to relieve and reduce unemployment, promote and provide for additional and maximum employment, improve and maintain job opportunities, instruct or train individuals to improve or develop their capabilities for such jobs, carry on scientific research for the purpose of aiding the Town of Hempstead by attracting new industry, through the encouragement of the development of or retention of an industry and lessen the burdens of the government, while acting in the public interest.

The Corporation is governed by a Board of Directors whose members are appointed by the Town of Hempstead Board and is considered a component unit of the Town of Hempstead. In accordance with The Corporation's By-Laws, the Board of Directors shall consist of no fewer than three directors and no more than seven directors. At December 31, 2021, five positions were filled. All governmental activities and functions performed by the Corporation are its direct responsibility. No other governmental organizations have been included or excluded from the reporting entity.

The financial reporting entity includes functions and activities over which Corporation directors exercise oversight responsibility. Oversight responsibility is determined on the basis of financial interdependency, selection of governing authority, designations of management and ability to significantly influence operations and accountability for fiscal matters. The Corporation has been determined to be a component unit of the Town of Hempstead, New York.

2. Summary of significant accounting policies:

Basis of accounting: The Corporation utilizes the accrual basis of accounting and the flow of economic resources measurement focus. The basis of accounting and measurement focus emphasize the measurement of net income similar to the approach used by commercial enterprises. Revenues are recorded when earned and expenses are recorded when incurred. Under this basis of accounting and measurement focus, the Corporation applies all Governmental Accounting Standards Board (GASB) pronouncements and United States Generally Accepted Accounting Principles (US GAAP), except those that conflict with a GASB pronouncement.

**Town of Hempstead
Local Development Corporation**

NOTES TO FINANCIAL STATEMENTS

2. **Summary of significant accounting policies (continued):**

Cash and cash equivalents: For purposes of the Statements of Cash Flows, investments with maturities of three months or less when purchased are considered cash equivalents.

Use of estimates: The preparation of financial statements, in conformity with US GAAP, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Accounts receivable: On December 31, 2021 and 2020 the Corporation considered accounts receivable to be fully collectible. Accordingly, no allowance for doubtful accounts is recorded.

Property and equipment: Property and equipment are stated at cost. It is the Corporation's practice to capitalize expenditures greater than \$2,000 with an estimated useful life of greater than one year. All property and equipment is fully depreciated at December 31, 2021 and 2020.

Depreciation: Depreciation is provided using the straight-line method over the estimated useful lives of the assets.

Net position classifications: Net position is classified and displayed in three components, as applicable:

- a. **Net investment in capital assets:** Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. **Restricted net position:** Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or (2) law through constitutional provisions or enabling legislation.
- c. **Unrestricted net position:** All other balances in net position that do not meet the definition of "restricted" or "net investment in capital assets."

**Town of Hempstead
Local Development Corporation**

NOTES TO FINANCIAL STATEMENTS

2. **Summary of significant accounting policies (continued):**

Revenue recognition: The Corporation's primary sources of operating revenue are from application fees, administrative fees and compliance fees. Administrative fees are computed as a percentage of the total project. Fees for services are recorded as income when earned at the time of project closing.

Advertising costs: Advertising costs are charged to operations when incurred. Advertising costs for the years ended December 31, 2021 and 2020 were \$5,000 and \$5,000, respectively.

Income tax status: The Corporation was duly established under Sections 402 and 1411 of the Not-For-Profit Corporation Law and is a corporate quasi-governmental agency performing an essential governmental function. The income of the Corporation is excludable from gross income under Section 115(i) of the Internal Revenue Code and, accordingly, these financial statements do not reflect a provision for income taxes.

Recent accounting pronouncements: The Corporation has adopted all current standards of the GASB that are applicable.

Subsequent events: Management has evaluated subsequent events through the date of the report, which is the date the financial statements were available to be issued.

3. **Conduit debt obligations, bond transactions:**

The Corporation induces the issuance of tax-exempt bonds to provide financial assistance to non-profit entities for the acquisition and construction of industrial, recreational and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the Corporation, the State, nor any political sub-division, thereof, is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2021 and 2020, outstanding debt induced by the Corporation and issued by other entities amount to \$571,290,000 and \$500,080,000, respectively. Debt service is paid directly to the lender by the entity that incurred the supplemental debt. The Corporation has no liability or contingent liability for payment.

Town of Hempstead Local Development Corporation

NOTES TO FINANCIAL STATEMENTS

4. Cash and cash equivalents:

The Corporation's investments are governed by a formal investment policy. The Corporation's Board of Director's responsibility for administration of the investment program is delegated to the Chief Executive Officer pursuant to resolution.

The Chief Executive Officer is authorized to invest monies not required for immediate expenditure. Permissible investments include special time deposit accounts, certificates of deposit, obligations of the United States of America, obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America and obligations of New York State. All deposits, including certificates of deposit and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act must be secured by a pledge of eligible securities with an aggregate market value or provided by General Municipal Law. Eligible securities used for collateralizing deposits are to be held by the bank or trust company pursuant to security and custodial agreements.

Deposits are required to be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either:

- Uncollateralized.
- Collateralized with securities held by the pledging financial institution in the Corporation's name.
- Collateralized with securities held by the pledging financial institution's trust department or agent but not in the Corporation's name.

At December 31, 2021, the Corporation's bank balances were \$2,069,939. Of that total, \$250,000 was covered by the Federal Deposit Insurance Corporation (FDIC) and \$1,819,939 was secured by collateral held by the pledging financial institution's agent, a third-party financial institution, but not in the Corporation's name.

At December 31, 2020, the Corporation's bank balances were \$2,422,505. Of that total, \$250,000 was covered by the FDIC and \$2,172,505 was secured by collateral held by the pledging financial institution's agent, a third-party financial institution, but not in the Corporation's name.

**Town of Hempstead
Local Development Corporation**

NOTES TO FINANCIAL STATEMENTS

5. Revenues:

The Corporation collects fees from its projects as follows:

Application fee: The Corporation charges a non-refundable fee of \$3,000 at the time of receiving a formal application for assistance.

Administrative fee: The Corporation charges a one-time administrative fee on tax exempt bond projects as follows:

	<u>Percentage of Value</u>
Up to \$25,000,000	0.5%
\$25,000,000 and over	0.2%

Annual compliance fees: The Corporation charges an initial compliance fee of \$3,000 and an annual compliance fee of \$1,500 for the term of bonds for any project that closed after February 1, 2016. The fee covers the cost of annual reporting and monitoring of the transaction. The fee is subject to periodic review and can be adjusted at the discretion of the Corporation.

Corporation Counsel's fee: The fee for Corporation's Counsel is approximately 0.1% of the amount of the bonds. The applicant pays the Corporation's counsel fee. For terminations, consents, second mortgages and other financings, Corporation counsel shall bill at the prevailing hourly rate.

Bond/Transaction Counsel fee: The applicant pays the Bond/Transaction Counsel fee.

Miscellaneous fees:

	<u>Minimum Amount</u>
Extension of inducement	\$500 - \$1,000
Document processing	\$1,000 - \$2,000
Refinancing of bonds*	0.5% outstanding bonds, plus administrative fee for new money
Assumption of outstanding bonds*	0.125% outstanding bonds, plus administrative fee for new money

**Town of Hempstead
Local Development Corporation**

NOTES TO FINANCIAL STATEMENTS

5. **Revenues (continued):**

Miscellaneous fees (continued):

	<u>Minimum Amount</u>
Termination fee	\$1,000
Consent, 2nd mortgages and other financings	Set by Board on a case to case basis

* These fees are subject to adjustment at the discretion of the Corporation, based on the complexity of the transaction involved.

The Corporation recognizes its fees for services as operating revenues. Non-operating income results from activities not related to these transactions.

6. **Related party transactions:**

The Corporation shares office space with the Town of Hempstead Industrial Development Agency (the Agency), a related party. The Corporation and the Agency have the same chief executive officer and chief financial officer.

The Agency and the Corporation have an agreement in which the Corporation reimburses the Agency for shared costs, including office space, supplies and telephone. These expenses have been reflected in the appropriate expense categories. Amounts reimbursed to the Agency for the years ended December 31, 2021 and 2020 were \$19,375 and \$18,285, respectively. At December 31, 2021 and 2020, the Corporation owed \$10,099 and \$8,988, respectively, to the Agency, which is reflected on the Statements of Net Position as accrued expenses.

The Corporation is a component unit of the Town of Hempstead (the Town). During 2021 the Corporation granted \$750,000 to the Town under a services agreement for career planning, occupational skills training programs, career and computers skills workshops and other job training programs for the residents of the Town through the Town of Hempstead Department of Occupational Resources. The total \$750,000 is reflected on the 2021 Statement of Revenues, Expenses and Changes in Net Position as program support expense.

**Town of Hempstead
Local Development Corporation**

NOTES TO FINANCIAL STATEMENTS

7. Coronavirus pandemic:

In March 2020, an outbreak of a new strain of Coronavirus, COVID-19, emerged as a pandemic in New York State and across the United States, leading to widespread business shutdowns and significant volatility in the financial markets. The coronavirus outbreak is still evolving. The ultimate extent of the pandemic's impact on the Corporation will depend on future developments which are highly uncertain. Currently, management is unable to quantify the potential effects of the pandemic on operations and financial performance of the Corporation.

8. New pronouncements:

The following statements have been issued by the GASB and are to be implemented in futures years, as applicable:

GASB Statement No. 87, *Leases*, as amended by GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the objective of which is to improve financial reporting by improving accounting for leases by governments. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about a government's leasing activities. The requirements of this Statement are effective for the Corporation's 2022 year. The Corporation is currently evaluating the impact of this pronouncement.

GASB Statement No. 91, *Conduit Debt Obligations*, as amended by GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, the primary objectives of which are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation, establishing that a conduit debt obligation is not a liability of the issuer, establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations and improving required note disclosures. The requirements of this Statement are effective for the Corporation's 2022 year. The Corporation is currently evaluating the impact of this pronouncement.

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

To the Board of Directors
Town of Hempstead Local Development Corporation
Hempstead, 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 Town of Hempstead Local Development Corporation (the Corporation) as of and for the year ended December 31, 2021 and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements and have issued our report thereon dated March 2, 2022.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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. 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

To the Board of Directors
Town of Hempstead Local Development Corporation
Hempstead, New York

any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Corporation's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the financial statements. 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 non-compliance 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.

Sheehan & Company CPA, P.C.

Brightwaters, New York
March 2, 2022

**Local Public Authority Name: Town of Hempstead Local Development
Corporation
Mission Statement**

Fiscal Year: January 1, 2021 – December 31, 2021

Enabling Legislation: The Corporation shall be a nonprofit local development corporation organized under Article XIX of the Membership Corporations Law and operated exclusively for the charitable or public purposes of relieving and reducing unemployment, promoting and providing for additional and maximum employment, bettering and maintaining job opportunities, instructing or training individuals to improve or develop their capabilities for such jobs, carrying on scientific research for the purpose of aiding the territory in which its operations are principally to be conducted by attracting new industry to such territory, or by encouraging development of, or retention of, an industry in said territory, or through the development or expansion of educational institution and lessening the burdens of the government in acting in the public interest.

Mission Statement:

The LDC, as a non-profit, quasi-governmental authority, functions in the public interest. The seven member board, through it's enacted policies and operations, acts with transparency, openness and uniformity of procedure with all applicants. The LDC seeks to encourage economic growth and activity, while seeking to maintain the best interests of the residents of the Town of Hempstead.

Adopted: 3/24/22

Aye

Nay

Resolution Number: 014 – 2022 LDC

Florestano Girardi
Chairman

2021 Town of Hempstead LDC
Measurement Report

Name of Public Authority:

Town Of Hempstead Local Development Corporation

Date Adopted: 3/24/22

List of Performance Goals:

- Full compliance with all state disclosure requirements.
- Transparency of all operations.
- Strict adherence by management (staff) of all internal controls.
- Outreach to civic facilities, educational institutions, community and the public in general, to make them aware of the LDC's existence and the benefits the Corporation can provide.
- Ongoing update of the LDC website as well the advertising program to best ensure that outreach is fully realized
- Ensure interaction & outreach to elected officials with jurisdictions impacted by the Town Local Development Corporation.

Additional questions:

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

Yes. Each board member has stated that each has read the LDC Mission statement, each member is engaged in the authority and its mission of providing benefits to not-for-profit entities to spur their good work & to generate economic activity.

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

The seven-member board of directors appoints the management of the LDC.

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

The personnel involved in the operation of the LDC provide experience and expertise to fulfill the LDC's mission. Three of the staff members of the Town of Hempstead Industrial Development Agency provides comparable duties for the LDC on a contractual basis. There are also two LDC Staff Members that are employed by the LDC directly.

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

The LDC's operation is governed by staff and consultants who are responsible for the administration and management of the Corporation pursuant to the resolutions, 037-2018, 027-2018, 032-2017 and 042-2021 LDC, adopted by the Town Of Hempstead LDC board.

The LDC authorizing resolution and by-laws repose the Board of Directors' direct oversight and control over the management of the LDC. The Board Members are required to review and monitor financial and management controls as well as activities of the LDC. The Board sets policy through it's approval of resolutions and the projects that it induces. Specifically, Board Members review and monitor the implementation of fundamental financial and management controls and establishes time and attendance rules as well as policies for staff. The LDC board is responsible for the adoption of a Code of Ethics that governs the activities of all members and staff of the LDC, procedures and policies to protect consultants and staff from retaliation, and an indemnification policy for all the staff and Board Members. Recently, training to identify and avert sexual harassment has been added as a requirement for employees and Board Members. Many of these have been in place since the inception of the LDC.

The LDC has established an independent Audit Committee, which has the responsibility to oversee all financial operations, as well as all reports and governmental disclosures prepared by the LDC. This

committee interacts with Sheehan & Company, the independent CPA firm that conducts the annual audit and reviews all financial activities and transactions of the Corporation on an ongoing basis throughout the year. The Committee continually examines and revises the internal controls that are in place at the LDC to ensure not only that all operations are conducted pursuant to the highest ethical standards, but that conflicts of interest are prevented.

The LDC Governance Committee seeks to ensure that the LDC follows and adopts best practices with respect to all its procedures, operations and policies. The members are attentive to government reforms and new initiatives adopted in both public & private sectors to ensure that the LDC members are aware of such measures and that the most effective and efficient methodologies for the conduct of all it's affairs are implemented.

5. Board of Director's Response:

Board members are actively involved in the development of our mission and in the ongoing evaluation of how well the Corporation is meeting it's goals. During the year, the staff and board members discuss the contacts and proposals that have come to the LDC as well as the status of projects and the nature of what brought them to us. Discussions further involve how well the corporation is meeting the needs of those who contact the Corporation and the key role that our incentives play in this regard.

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

Yes, each Board Member has discussed the nature and content of the answers to the questions on this statement.

Adopted: 3/24/22

Aye

Nay

Resolution Number: 013 – 2022 LDC

Florestano Girardi
Chairman

SELF-EVALUATION POLICY & PROCEDURES
TOWN OF HEMPSTEAD
Local Development Corporation

Self-analysis & internal evaluation of LDC procedures and policies is a crucial and difficult area to objectively calculate. We believe that the LDC has policies and procedures in place that ensure productivity, efficiency and effective financial “checks and balances” that govern the conduct of the members, and of the staff who run the day-to-day operations.

The staff literally, on a weekly basis, or more frequently as events dictate, reviews operations to ensure that the corporation is fulfilling its mandate to spur economic development. This includes procedures to comply with state requirements, reaching out to prospective clients and updating projects in the pipeline.

Any procedural or policy changes are discussed with agency counsel and then with board members serving on the LDC committee that has jurisdiction over each of the respective areas impacted.

The status of all projects are updated for board members through a monthly Chief Executive Officer’s Report, as needed which includes reports as to corporation operations, finances, procedures and policies.

Our outside accountants independently audit our records and finances to evaluate, from their perspective as detached financial analysts, LDC procedures, policies and compliance with state requirements and laws.

Specific roles:

- 1) CEO – Primary responsibility is the implementation of enacted procedures and policies of the Corporation. The CEO is the staff person who is primarily responsible to ensure that the enacted resolutions and adopted policies and procedures are fully implemented that the overall operation of the LDC complies with both legal requirements and those implemented by the board of directors. These formal actions, together with the operational methodology, govern the manner in which the corporation conducts business.

As such, the CEO coordinates all corporation activities to effectuate the mission statement and the outreach to the economic and business community to generate an awareness of the agency's role and to spur project development.

The CEO further ensures that internal controls are in place and that the budget is within projections established both prior to the budgetary year and as the year unfolds. The CEO oversees the other personnel and interacts, on an ongoing basis, with the corporation council and chairs of the various committees with jurisdiction over the corporation's operations.

The CEO, as designated chief exponent of LDC operations, frequently speaks before economic groups, participates in forums and visits existing projects and potential ones to explain LDC benefits.

The CEO is a bank signatory and oversees the income and expenditures of the corporation, as well as opens and reviews all bank statements to ensure postings comply with bank reports. The CFO and Corporate Administrator tend to the corporation's daily financial operations and bookkeeping.

- 2) CFO- Oversees status of project compliance through a spreadsheet that includes all material data for each Corporation project. This is updated for accuracy and provides an ongoing tally of projects, the status and composite of all LDC projects.

Corporate Administrator- Independently reviews each check and wire that is submitted for induced projects. Thus, the CFO acts independently to account for all revenues that are received and invested by the agency. In addition, the Corporate Administrator is responsible for the day-to-day expenditures of the corporation and the related record keeping. Claim forms are attached to every bill and checks are signed by one of the bank signatories. The CFO is also a bank signatory.

- 3) Fees or other income earned by the agency are prudently invested with commercial banks. On an ongoing basis, staff receives and verifies documentation to ensure that all accounts are adequately collateralized and the corporation's investments are protected. The CEO frequently contacts commercial banks to ascertain the highest rates earned on a 30, 60, 90 day or longer basis. Moneys will be transferred among the highest paying financial institutions. The CEO reviews the overall investments with the CFO & Corporate Administrator and reports his findings to the Chairman of the Finance Committee.
- 4) As economic development is the paramount reason for the existence of the LDC, continuous outreach to the academic, business, real estate and development communities is a crucial aspect of the daily operation of the CEO and staff.

Constant perusal of periodicals, updates to developers, brokers and business persons, as well as, onsite meetings with elected officials & members of the

economic development community ensure that the corporation and the benefits it provides are well known to all these key groups.

The CEO prepares a monthly report of potential projects, inquiries and solicitations that serves as a basis to track corporation involvement.

These formal internal procedures, as well as the documentation produced, provide the corporation with a structure that ensures a constant self-evaluation of its staff, procedures and overall operation.

Adopted – 3/24/22

Resolution Number: 012- 2022 LDC

(ayes)

(nays)

Florestano Girardi
Chairman

**INVESTMENT POLICY
TOWN OF HEMPSTEAD
LOCAL DEVELOPMENT CORPORATION**

SCOPE

This investment policy applies to all moneys and other financial resources of the LDC available for investment on its own behalf.

OBJECTIVES

The primary objectives of the Town of Hempstead Local Development Corp.'s (hereafter TOH LDC) investment policies are:

- To conform with all applicable federal, state, town and other legal requirements (legal)
- To adequately safeguard principal (safety)
- To provide sufficient liquidity to meet all operating requirements (liquidity)
- To obtain a reasonable rate of return (yield)

DELEGATION OF AUTHORITY

The TOH LDC board's responsibility for administration of the investment program is delegated to the CEO pursuant to resolution by the board. The CEO, with the assistance of the Investment Committee, establishes written procedures for the operation of the investment program consistent with these investment guidelines. Such procedures include adequate internal control structure to provide a satisfactory level of accountability based on a database or records incorporating description and amounts of investments, transaction dates and other relevant information and to regulate the activities of subordinate employees.

PRUDENCE

All participants in the investment process shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair public confidence in the TOH LDC to operate effectively.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the safety of the principal as well as the probable income to be derived.

All participants involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

DIVERSIFICATION

It is the policy of the TOH LDC to diversify its deposits and investments by financial institution, by investment instrument, and by maturity scheduling.

INTERNAL CONTROLS

Subject to Investment Committee and Board approval, The CEO is responsible for establishing and maintaining an internal control structure to provide reasonable assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with the board's authorization and recorded properly, and are managed in compliance with applicable laws and regulations.

COLLATERALIZING OF DEPOSITS

In accordance with the provisions of General Municipal Law, §10, all deposits of TOH LDC, including certificates of deposit and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured by a pledge of "eligible securities" with an aggregate "market value", or provided by General Municipal Law.

SAFEKEEPING AND COLLATERALIZATION

Eligible securities used for collateralizing deposits shall be held by (the depository and/or a third party) bank or trust company subject to security and custodial agreements.

The security agreement shall provide that eligible securities are being pledged to secure TOH LDC deposits together with agreed upon interest, if any, and any costs or expenses arising out of the collection of such deposits upon default. It shall also provide the conditions under which the securities may be sold, presented for payment, substituted or released and the events, which will enable the TOH LDC to exercise its rights against the pledged securities. In the event that the securities are not registered or inscribed in the name of the TOHLDC, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the TOH LDC or its custodial bank.

The custodial agreement shall provide that securities held by the bank or trust company, or agent of and custodian for, the TOH LDC, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or other liabilities. The agreement should also describe that the custodian shall confirm the receipt, substitution or release of the securities. The agreement shall provide for the frequency of revaluation of eligible securities and for the substitution of securities when a change in the rating of a security may cause ineligibility. Such agreement shall include all provisions necessary to provide the TOH LDC a perfected interest in the securities.

PERMITTED INVESTMENTS

As authorized by General Municipal Law, §11, the TOH LDC shall authorize the CEO to invest moneys not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments:

- Special time deposit accounts
- Certificates of deposit
- Obligations of the United States of America
- Obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America
- Obligations of the State of New York

Adopted 3/24/22

(ayes)
(nays)

Resolution Number 007 – 2022 LDC

Name: Florestano Girardi
Title: Chairman

Town of Hempstead Local Development Corporation

Property Disposition Policy

In keeping with the policy of maintaining the highest standards of conduct and ethics and to operate in the most accountable and open manner, the Town of Hempstead Local Development Corporation (the "Corporation") will maintain adequate inventory controls and accountability systems for all Property (as such term is defined below) under its control. Furthermore, the Corporation will Dispose (as such term is defined below) of Property in compliance with any applicable Law, Rule or Regulation (as such term is defined below). Failure to follow the provisions of this Property Disposition Policy will result in disciplinary action including possible termination of employment, dismissal from one's board or agent duties and possible civil or criminal prosecution if warranted.

Definitions

Contracting Officer shall mean the Chief Financial Officer of the Corporation.

Dispose, Disposed or Disposal shall mean the transfer of title or any other beneficial interest in personal or real property in accordance with Section 2897 of the New York Public Authorities Law.

Law, Rule or Regulation: Any duly enacted statute, or ordinance or any rule or regulation promulgated pursuant to any federal, state or local statute or ordinance.

Property shall mean (a) personal property in excess of five thousand dollars (\$5,000.00) in value, (b) real property, and (c) any inchoate or other interest in such property, to the extent that such interest may be conveyed to another person for any purpose, excluding an interest securing a loan or other financial obligation of another party.

Operative Policy

Inventory Controls and Accountability Systems

The Contracting Officer of the Corporation shall be responsible for the Corporation's compliance with this Property Disposition Policy and the supervision and control of all Property Disposed of by the Corporation. In addition, the Contracting Officer shall have the responsibility to insure the Corporation operates in compliance with Title 5-A of the New York Public Authorities Law, including creating and maintaining adequate inventory controls and accountability systems for all Property under the control of the Corporation and periodically inventorying such property to determine which, if any, property should be Disposed by the Corporation. The Contracting Officer shall recommend to the Board any Property he or she deems suitable for Disposal.

Disposition of Property

Unless otherwise authorized by this Policy, the Corporation shall Dispose of Property for not less than fair market value ("FMV") by sale, exchange, or transfer, for cash, credit, or other property, with or without warranty, and upon such terms and conditions as the Contracting Officer deems proper. Provided, however, that no disposition of real property, any interest in real property, or any other Property which because of its unique nature is not subject to fair market pricing shall be made unless an appraisal of the value of such Property has been made by an independent appraiser and included in the record of the transaction.

Unless otherwise authorized by this Policy, prior to disposing of Property or entering into a contract for the Disposal of Property, the Corporation shall publicly advertise for bids for such Disposal or contract for Disposal. The advertisement for bids shall be made at such a time prior to the Disposal or

contract for Disposal, through such methods, and on such terms and conditions as shall permit full and free competition consistent with the value and nature of the Property. Such advertisement shall include the date, time and place the bids will be publicly disclosed by the Corporation. The Corporation shall award the contract with reasonable promptness to the most responsible bidder whose bid, conforming to the invitation for bids, is most advantageous to New York State (the "State"), price and other factors considered; provided, however, that Corporation reserves the right to reject all such bids when it is in the public interest to do so.

The Corporation may Dispose of Property or enter into contracts for the disposal of Property via RFP, negotiation or public auction without regard to the two (2) paragraphs immediately above, but subject to obtaining such competition as is feasible under the circumstances, if:

- the personal property involved is of a nature and quantity which, if Disposed of under the first two (2) paragraphs of this section, would adversely affect the state or local market for such Property, and the estimated FMV of such Property and other satisfactory terms of the Disposal can be obtained by negotiation;
- the FMV of the Property does not exceed fifteen thousand dollars (\$15,000.00);
- bid prices after advertising therefore are not reasonable, either as to all or some part of the Property, or have not been independently arrived at in open competition;
- the Disposal is to the State or any political subdivision of the State, and the estimated FMV of the Property and other satisfactory terms of the Disposal are obtained by negotiation;
- the Disposal is for an amount less than the estimated FMV of the Property, the terms of such Disposal are obtained by public auction or negotiation, the Disposal of the Property is intended to further the public health, safety or welfare or an economic development interest of the State or a political subdivision of the State, including but not limited to, the prevention or remediation of a substantial threat to public health or safety, the creation or retention of a substantial number of job opportunities, or the creation or retention of a substantial source of revenues, and the purpose and terms of the Disposal are documented in writing and approved by resolution of the Board; or
- such Disposal or related action is otherwise authorized by law.

The Corporation shall file an explanatory statement with the comptroller, the director of the division of budget, the commissioner of general services and the legislature not less than ninety (90) days before the Corporation Disposes the Property if the Property is personal property in excess of \$15,000, or real property that has a fair market value in excess of \$100,000. When the Property is Disposed by lease (or exchange), then the Corporation shall file an explanatory statement when the Property is real property leased for a term of five (5) years or less with an estimated fair annual rent exceeding one-hundred thousand (\$100,000.00) in any given year, real property leased for a term greater than five (5) years with an estimated fair annual rent exceeding one-hundred thousand (\$100,000.00) for the entire lease term; or any real property or real and related personal property Disposed of by exchange, regardless of value, or any property any part of the consideration for which is real property.

Reporting Requirements

Annual Report

The Corporation shall publish, at least annually, an Annual Report (the "Annual Report") listing all Property consisting of real property of the Corporation. In addition, the Annual Report shall include a list and full description of all Property consisting of real and personal property Disposed of during such period covered by the Annual Report. The Annual Report shall include the price received by the Corporation for the Property, in addition to the name of the purchaser for all such Property sold by the Corporation during such period covered by the Annual Report.

The Corporation shall deliver copies of the Annual Report with the comptroller, the director of the division of budget, the commissioner of general services and the legislature, and to the extent practicable, post such Annual Report on its website.

Property Disposition Policy

The Corporation shall review and approve this Property Disposition Policy annually by resolution of the Board. On or before June 1 of each year, the Corporation shall file with the NYS Comptroller a copy of its Property Disposition Policy, including the name of the Contracting Officer appointed by the Corporation. Upon such filing with the NYS Comptroller, the Corporation shall post its Property Disposition Policy on its website.

Adopted: 3/24/22

(eyes)

(nays)

Resolution Number: 010 – 2022 LDC

Name: Florestano Girardi

Title: Chairman

*OPERATIONS & ACCOMPLISHMENTS REPORT 2021
TOWN OF HEMPSTEAD
LOCAL DEVELOPMENT CORPORATION*

The Town of Hempstead Local Development Corporation was reconstituted from its inactive status on March 25, 2009, through the initiative of the Hempstead Town Board and the adoption of its corporate by laws by its Board of Directors. The Town of Hempstead Local Development Corporation is authorized by law to provide benefits to not-for-profits, academic and education institutes, and charitable entities.

In 2021, the Local Development Corporation (LDC) provided tax exempt bonds to three outstanding centers of academia in the town.

Hofstra University refinanced its existing tax exempt bonds from the 2011 issuance through the LDC. The project included \$90,930,000.00 million in the 2021A tax exempt bond series (\$60,245 million refunding the 2011 bonds) and \$12,320 million in the 2021B Taxable Bond Series.

The proceeds permit Hofstra to construct a new 75,000 square foot Science and Innovation Center to house engineering and nursing programs as well as capital improvements around the campus. Forty five (45) full time positions shall be created as a result of the project, as well as hundreds of construction jobs.

Adelphi University refinanced its 2011 Tax Exempt Bond series issued through the LDC. The \$13,520 million bond issuance will be utilized to pay for existing projects at lower interest rate savings for the institution.

The LDC issued bonds for the Academy Charter School in the sum of \$46,615,000.00 million (tax exempt and a taxable tail). The bond proceeds are utilized to construct a 92,000 square foot, four story addition to serve as a high school in 2023 for its academic curriculum.

As a result of this project, over ninety (90) full time equivalent positions will be added to the school's payroll.

Resolution Number: 009 – 2022 LDC

Adopted: 3/24/22

Ayes:

Nays:

Florestano Girardi
Chairman

TOWN OF HEMPSTEAD
Local Development Corporation

2022 ASSESSMENT OF EFFECTIVENESS OF INTERNAL
CONTROL STRUCTURE AND PROCEDURES

A. Mission and Major Business Functions:

The mission of the Town of Hempstead LDC is to enhance economic activity for not-for-profit entities, spur growth and job development in our region. To accomplish these goals the LDC, is authorized by the Town of Hempstead (Resolution dated June 22, 1996) to operate exclusively for charitable or public purposes pursuant to the New York State Membership Corporation Law.

The LDC was inactive for a number of years. However, the Hempstead Town Board, sensing the need for a legal entity to assist not for profits, educational institutions and charitable organizations, reformulated the LDC by Town Board resolution on March 3, 2009. Thereafter, the LDC board, together with consultants, has worked to comply with current legal requirements governing such entities. Hence, the LDC has served as an active and productive economic vehicle since that time.

The limited scope of the LDC's legal jurisdiction dictated that the newly created agency administrating its operation be small. The work of the LDC is provided on a contractual basis with labor performed by consultants. Mike Lodato serves as the Corporate Administrator and he is supported in his efforts by staff, Edie M. Longo, CFO and Frederick E. Parola, CEO. The staff maintains comparable titles within the Town of Hempstead Industrial Development Agency.

B. Risks Associated with Corporation Operations:

There is always the potential for fraud and theft where a Corporation generates revenues and payments are collected for services rendered to the entity. However, the LDC operates in a manner of strong internal controls through its three contractual employees/staff who engage in constant interaction and discussion to prevent inappropriate actions.

A small office presents both unique problems and benefits to maintain the integrity of internal controls procedures. The intimate interaction in a small office should prevent the development of abuses that may evolve in administration, as constant interaction amongst the personnel tends to terminate poor procedures at their inception.

As important, there is continuing oversight of the separate roles and duties for which each of the employees are engaged.

Conversely however, a small office operation can be too intimate creating the possibility of abuse. Hence, the staff and board conscientiously work to ensure that there is no overlapping of duties, or conflicts. The Corporate Administrator conducts the administrative operation of the LDC. His work is reviewed and overseen by the CEO and CFO constantly. The dialogue amongst the staff and consultant is ongoing and procedures are constantly evolving to ensure the most optimum deployment of time and energy.

In fact, the IDA and LDC with the services each provide to the Town of Hempstead, are “partners in economic vitalization” and the umbrella created by the two entities well serve the needs of the town’s residents and other institutions.

C. Internal Control Systems in Place:

The revenue generated by the transactions undertaken by the LDC are safeguarded through stringent corporation controls. Michael Lodato serving as the Corporate Administrator handles these finances in terms of checking and bank accounts. The CEO initially reviews all checking and bank statements, and oversees such administrative operations independently. Resolutions for payment authorization are created by the CFO. The CEO and CFO are signatories for the Corporation.

The purchase of any service is approved by the CFO who oversees all resolutions created by the LDC Administrator. The Chairman of the Finance Committee, who is a member of the board, independently reviews all such financial activities and the board is furnished with a financial statement and expenditure list at each meeting.

Every transaction is considered as a high risk and receives heightened procedural controls to prevent both the potential for abuse or lax treatment.

Ongoing discussions with the Corporation's accountants diligently question and scrutinize internal controls, reinforces the Corporation's preoccupation with functional risks. The Corporation's counsel, John Ryan, ESQ. serves as an independent source to oversee & review operations.

As stated, the internal control structures and procedures of the Town of Hempstead LDC are reviewed by the staff as well as by our independent accountants annually. These controls are adopted by both the committee and the full board.

The Corporation's established internal controls and procedures are reviewed by our independent accountants who present a detailed questionnaire that address every aspect of the LDC operations. Select Staff members and the Board Treasurer respond to inquiries by our accountants who then independently evaluate our operation and comment upon it in the annual report.

Internal control procedures are constantly re-evaluated by staff to ensure that a clear delineation of responsibilities are incorporated into operations. These discussions and findings are reviewed by both board members and the LDC independent accountants. Cash and all check writing is the responsibility of the Administrator. The CEO independently reviews all assets held by financial institutions to insure that the accounts square with the office accounts. The CEO reviews bank submissions to ensure that the collateral pledged to secure LDC deposits provide adequate security.

Furthermore, the staff discusses financial operations on a weekly and, often, on a more frequent basis. All expenditures are submitted by staff to the board for approval by resolution. Low cost purchases are itemized and these items, which normally include supplies (pens, paper), are paid by check as well as pursuant to a standing resolution approved by the board. The CEO and CFO review all such payments made by the Administrator.

The staff constantly updates the projected revenues and expenditures as well as the overall budget, to ensure that filings are consistent with the projections made prior to the fiscal year.

The Investment Chairman of the LDC Board is provided with all financial expenditures, payments and budget updates on a regular basis. The LDC Board members are presented with all such budgetary materials prior to its meetings.

Minor expenditures are approved pursuant to a standing board resolution and larger, specific expenditures are approved by resolutions that address that item.

Any and all purchases of services and higher cost items are conducted pursuant to the LDC's Purchasing/Procurement Policy and Guidelines.

The Investment Policy is conducted pursuant to the resolutions enacted by our board and the laws of New York State that regulate governmental authorities and municipalities. Income generated is invested solely in conservative institutions, which are commercial banks, presently, that offer the highest rate of return. Hence, such assets are fully protected against loss and constitute what can only be categorized as the lowest level of risk. The CEO periodically updates the rates offered by each of the commercial banks to guarantee both the best and highest rate of return. Principal is reinvested periodically to reflect such fluctuation in the rates.

D. Extent To Which The Internal Control System is Effective:

The division of responsibilities and the independent review as set forth in the LDC's procedures over its operation create a multi-leveled structure that virtually preclude abuse and ensures the timely and quick exposure of any indiscretion.

Supporting this observation as to the excellence of the corporation's internal control is the review by the Corporation's outside accountants who question each employee/consultant as to the nature and effectiveness of the internal controls in place. Each employee justifies before the independent accountant, the manner in which the stated procedures and controls actually function.

E. Corrective Action:

Any inappropriate action discovered within the Corporation's operations is referred to the Corporation's independent counsel for review and his recommendation as to what action should be adopted by the LDC board.

The Corporation's Code of Conduct and Ethics determine the course to be adopted from internal discipline for minor infractions to referral to the District Attorney in the event of criminal activity.

Adoption: 3/24/22

Resolution Number: 008 – 2022 LDC

(aye)

(nay)

Florestano Girardi

Chairman

**PURCHASING & PROCUREMENT GUIDELINES OF THE
TOWN OF HEMPSTEAD LOCAL DEVELOPMENT CORPORATION**

The Corporation shall make no purchases of supplies, equipment, services, or materials nor shall the Corporation contract for the purchase of supplies, equipment, services, or materials except as follows:

a. When the cost of the supply, equipment, services, or material involved should reasonably be expected to cost in excess of ten thousand dollars (\$10,000), the item to be purchased shall be formally bid and the purchase made from the lowest responsible bidder.

b. When the cost of the supply, equipment, services, or material involved should reasonably be expected to cost in excess of three thousand dollars (\$3,000) but not more than ten thousand dollars (\$10,000), written price quotations shall be obtained from not fewer than three (3) vendors and the purchase made after all such quotations are evaluated by the Corporation.

c. When the cost of the supply, equipment, services, or material involved should reasonably be expected to cost in excess of one thousand dollars (\$1,000) but not more than three thousand dollars (\$3,000), written price quotations shall be obtained from not fewer than two (2) vendors and the purchase made after all such quotations are evaluated by the Corporation.

d. When the cost of the supply, equipment, services, or material involved should reasonably be expected to cost in excess of two hundred fifty dollars (\$250) but not more than one thousand dollars (\$1,000), oral price quotations shall be obtained from not fewer than two vendors (2) and the purchase made after all such quotations are evaluated by the Corporation.

e. No solicitation of price quotations shall be required in the following instances:

e-1. when the cost of the supply, equipment, services, or material involved is two hundred fifty dollars (\$250) or less,

e-2. when the purchase is of professional services,

e-3. when the purchase is necessitated by a *bona fide* emergency, which emergency is described in writing by the Corporation member or employee declaring same, ratified by telephone by not fewer than a majority of members and ratified by resolution at the next meeting of the Corporation,

e-4. when the supply, equipment, services, or material sought to be

purchased is available only through a single source,

e-5. when the supply, equipment, services, or material is being purchased from a correctional facility, another governmental Corporation or an Corporation serving the blind or severely handicapped, or at auction, or

e-6. when the supply, equipment, services, or material is being purchased under a town, county or state contract.

As used in section e-3 hereof, the term “majority of members” shall mean a number of members equal to more than fifty percent (50%) of the difference between seven (7) and the number of LDC memberships, which are vacant at the time of the vote.

Adopted: 3/24/22

(ayes)

(nays)

Resolution Number: 001 – 2022 LDC

Florestano Girardi
Chairman

Town of Hempstead
Local Development Corporation
CODE OF ETHICS

This Code of Ethics shall apply to all officers and employees of the Town of Hempstead Local Development Corporation. These policies shall serve as a guide for official conduct and are intended to enhance the ethical and professional performance of the Corporation's directors and employees and to preserve public confidence in the Corporation's mission.

Responsibility of Directors and Employees

1. Directors and employees shall perform their duties with transparency, without favor and refrain from engaging in outside matters of financial or personal interest, including other employment, that could impair independence of judgment, or prevent the proper exercise of one's official duties.

2. Directors and employees shall not directly or indirectly, make, advise, or assist any person to make any financial investment based upon information available through the director's or employee's official position that could create any conflict between their public duties and interests and their private interests.

3. Directors and employees shall not accept or receive any gift or gratuities where the circumstances would permit the inference that: (a) the gift is intended to influence the individual in the performance of official business or (b) the gift constitutes a tip, reward, or sign of appreciation for any official act by the individual. This prohibition extends to any form of financial payments, services, loans, travel reimbursement, entertainment, hospitality, thing or promise from any entity doing business with or before the Corporation.

4. Directors and employees shall not use or attempt to use their official position with the Corporation to secure unwarranted privileges for themselves, members of their family or others, including employment with the Corporation or contracts for materials or services with the Corporation.

5. Directors and employees must conduct themselves at all times in a manner that avoids any appearance that they can be improperly or unduly influenced, that they could be affected by the position of or relationship with any other party, or that they are acting in violation of their public trust.

6. Directors and employees may not engage in any official transaction with an outside entity in which they have a direct or indirect financial interest that may reasonably conflict with the proper discharge of their official duties.

7. Directors and employees shall manage all matters within the scope of the Corporation's mission independent of any other affiliations or employment. Directors, including ex officio board members, and employees employed by more than one government shall strive to fulfill their professional responsibility to the Corporation without bias and shall support the Corporation's mission to the fullest.

8. Directors and employees shall not use Corporation property, including equipment, telephones, vehicles, computers, or other resources, or disclose information acquired in the course of their official duties in a manner inconsistent with State or local law or policy and the Corporation's mission and goals.

9. Directors and employees are prohibited from appearing or practicing before the Corporation for two (2) years following employment with the Corporation, consistent with the provisions of Public Officers Law.

Implementation of Code of Ethics

This Code of Ethics shall be provided to all directors and employees upon commencement of employment or appointment and shall be reviewed annually by the Governance Committee. The board shall designate the Corporation's Counsel, who shall report to the board and shall have the following duties:

- Counsel in confidence Corporation directors and employees who seek advice about ethical behavior.
- Receive and investigate complaints about possible ethics violations.
- Dismiss complaints found to be without substance.
- Prepare an investigative report of their findings for action by the CEO or the board.
- Record the receipt of gifts or gratuities of any kind received by a director or employee, who shall notify the Corporation Counsel within 48 hours of receipt of such gifts and gratuities.

Penalties

In addition to any penalty contained in any other provision of law, a Corporation director or employee who knowingly and intentionally violates any of the provisions of this code may be removed in the manner provided for in law, rules or regulations.

Reporting Unethical Behavior

Employees and directors are required to report possible unethical behavior by a director or employee of the Corporation to the Corporation Counsel. Employees and directors may file ethics complaints anonymously and are protected from retaliation by the policies adopted by the Corporation.

Adopted: 3/24/22

Ayes

Nays

Resolution Number: 011 – 2022 LDC

Florestano Girardi
Chairman

RESOLUTION

TOWN OF HEMPSTEAD
Local Development Corporation

APPOINTMENT OF CONTRACTING/COMPLIANCE OFFICER

WHEREAS, the Local Development Corporation established a procedure for compliance with the Public Authorities Accountability Act and appoint a Contract/ Compliance Officer to coordinate the required reporting and procedures and;

WHEREAS, the Local Development Corporation seeks to appoint a Contracting Officer for the disposition of real and personal property in accordance with the provisions of the Public Authorities Accountability Act and;

WHEREAS, the Compliance Officer is to oversee all compliance issues relating to Corporation projects, reporting requirements and requests upon written notification to the Corporation from the Commission on Public Authorities; and

WHEREAS, the Contracting Officer is to oversee all issues relating to the Corporation's disposition of property, both personal and real; and

WHEREAS, by the adoption of this resolution a Compliance & Contracting Officer for the Town of Hempstead Local Development Corporation shall be appointed;

NOW, THEREFORE, BE IT

RESOLVED, that all requests and information related to Corporation compliance will be directed to Edie M. Longo, CFO as the Compliance & Contracting Officer for the Town of Hempstead Local Development Corporation.

Adopted: 3/24/22

(ayes)

(nays)

Resolution Number: 015 – 2022 LDC

Florestano Girardi
Chairman

Board Members
Florestano Girardi
Thomas Grech
Dr. Eric C. Mallette
Jack Majkut
Robert Bedford
Jerry Kornbluth, Ph.D
Jill Mollitor

Frederick E. Parola
Chief Executive Officer

Town of Hempstead



Local
Development
Corporation

350 FRONT STREET HEMPSTEAD, NY 11550-4037
(516) 489-5000 EXT. 4200 • (516) 489-3179

Minutes

Town of Hempstead
Local Development Corporation Meeting
Nathan L.H. Bennett Pavilion
One Washington Street
Hempstead, New York 11550

Agenda

Thursday, February 24, 2022
9:30 AM (or after the IDA Meeting Closes)

Agenda: Disperse Confidential Evaluation Summary, Summary of Board Evaluations, Consideration and approval of the Minutes of January 31, 2022, Financial Statements and Expenditure List: January 25, 2022 – February 17, 2022

Those in Attendance: Florestano Girardi, Chairman
Eric Mallette, Treasurer
Jack Majkut, Secretary
Jerry Kornbluth, Member
Jill Mollitor, Member

Excused: Thomas Grech, Vice Chairman
Robert Bedford, Member

Also in Attendance: Frederick E. Parola, CEO
Arlyn Eames, Deputy CFO
Michael Lodato, Corporate Administrator

Laura Tomeo, Deputy Corporate Administrator
John E. Ryan, Esq., Corporation Counsel
Barry Carrigan, Esq., Bond Counsel
Paul O'Brien, Esq., Bond Counsel

The Chairman confirmed a Quorum. The Meeting was called to order at 9:54 AM

Disperse Confidential Evaluation Summary:

The Board was provided with the summary to the Confidential Evaluation Forms.

Distribution of Board Self-Evaluation forms:

The Board was furnished with the self-evaluation form summary from the board self evaluations. Overall the Staff and Board received very good feedback.

Minutes of the January 31, 2022 Meeting: A motion was made by Florestano Girardi to waive the reading of the minutes and adopt the minutes of the January 31, 2022 meeting as presented. This motion was seconded by Eric Mallette. All were in favor. Motion carried.

Financial Statements & Expenditure Report: The board was furnished with a copy of the Financial Statements and Expenditure List for January 25, 2022 – February 17, 2022.

With all business concluded, Florestano Girardi made a motion to close the meeting. This motion was seconded by Jack Majkut. All were in favor. Motion carried. The meeting was closed at 10:00 am.

Jack Majkut
Secretary
March 24, 2022

Town of Hempstead Local Development Corporation

Account QuickReport

As of March 17, 2022

Type	Date	Num	Name	Memo	Split	Amount	Balance
200 - Cash							18,353.53
200-33 - Bank of America Checking -6632							18,353.53
Check	2/25/2022	5181	Edie Longo	LDC Part Tim...	-SPLIT-	-425.86	17,927.67
Check	2/25/2022	5182	Frederick E. Parola	LDC Part Tim...	-SPLIT-	-1,749.72	16,177.95
Check	2/25/2022		Paychex	Payroll Fee 2/...	2100-01 - PAY...	-56.90	16,121.05
Check	2/25/2022		Bank of America	Payroll Taxes ...	-SPLIT-	-1,292.92	14,828.13
Check	3/11/2022	5183	Edie Longo	LDC Part Tim...	-SPLIT-	-613.11	14,215.02
Check	3/11/2022	5184	Frederick E. Parola	LDC Part Tim...	-SPLIT-	-1,734.97	12,480.05
Check	3/11/2022		Paychex	Payroll Fee 3/...	2100-01 - PAY...	-56.90	12,423.15
Check	3/11/2022		Bank of America	Payroll Taxes ...	-SPLIT-	-1,312.79	11,110.36
Total 200-33 - Bank of America Checking -6632						-7,243.17	11,110.36
Total 200 - Cash						-7,243.17	11,110.36
TOTAL						-7,243.17	11,110.36

Town of Hempstead Local Development Corporation
Account QuickReport
As of March 17, 2022

Type	Date	Num	Name	Memo	Split	Amount	Balance
200 · Cash							2,042,834.28
200-34 · Bank of America Savings -3706							2,042,834.28
Total 200-34 · Bank of America Savings -3706							2,042,834.28
Total 200 · Cash							2,042,834.28
TOTAL							2,042,834.28