



STATE OF NEW YORK  
**Authorities Budget Office**

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March 5, 2012

Mr. David Swanson  
Chairman  
Canton Local Development Corporation  
Municipal Building  
60 Main Street  
Canton, New York 13617

Dear Mr. Swanson:

In August 2011, the Canton Local Development Corporation received a letter that compelled the board of directors and chief executive officer to justify the authority's persistent failure to meet the reporting requirements of sections 2800, 2801, and 2802 of Public Authorities Law. In an August 30, 2011 letter from Ms. Linda McQuinn to the ABO, a meeting was requested to discuss the reporting requirements. A teleconference with representatives of the authority and this Office was held on September 8, 2011. Both sides agreed that the authority would submit the required reports by January 1, 2012.

As of March 5, 2012, the Canton Local Development Corporation has not complied with the public disclosure, reporting and corporate governance provisions of Public Authorities Law. Canton Local Development Corporation has not filed the following reports with this Office:

- Budget Reports for fiscal years ending 5/31/2011 and 5/31/2012
- Annual Report for fiscal years ending 5/31/2010 and 5/31/2011
- Audit Report for fiscal years ending 5/31/2010 and 5/31/2011

Accordingly, pursuant to its powers under Section 6(2)(f) of Public Authorities Law and Policy Guidance 11-02: "Enforcement Powers of the Authorities Budget Office", issued February 10, 2011, the Authorities Budget Office is sending this official letter of censure to the board of directors of the Canton Local Development Corporation.

As a public authority, the Canton Local Development Corporation is expected to be timely and transparent with its financial reporting and to be accountable to the public. This letter of censure is the result of your collective failure to take appropriate corrective action when the authority was previously warned that it was out of compliance with state law. Those warnings constitute reasonable evidence that the board and the authority's management were made aware of this situation. The fact you continue to ignore your obligations under state law is unacceptable. This continued inaction demonstrates a fundamental misunderstanding of your fiduciary responsibilities and is a serious violation of your duty as a director or officer of this authority.

This letter is being made part of the public record. Disclosure of this delinquency and letter of censure may be required by federal securities law, should the authority finance debt in the future. Furthermore, should the board of directors and the chief executive officer fail to bring the Canton Local Development Corporation into compliance, the Authorities Budget Office may take additional steps, including initiating legal action, to access the records, books, and financial documents of the Authority, and/or recommending the removal of the board of directors.

Sincerely,



David Kidera  
Director

Cc: New York State Senator Patty Ritchie  
Assemblymember Addie J. Russell  
Mr. David T. Button, Supervisor, Town of Canton  
Mayor David Curry, Village of Canton  
Ms. Linda McQuinn, Director of Economic Development