



**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (ECIDA)
BUFFALO & ERIE COUNTY REGIONAL DEVELOPMENT CORP (RDC)
BUFFALO & ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORP (ILDC)**

**Joint Finance & Audit Committee Meeting
March 17, 2021
Via Conference Call and Livestreaming**

at 12:00 PM

1. Approval of Minutes – October 16, 2020 (Action) (pages 2 - 3)
2. Draft 2020 ECIDA Audited Financial Statements & Management Report (Action) (pages 4 - 39)
3. Draft 2020 RDC Audited Financial Statements (Action) (pages 40 - 66)
4. Draft 2020 ILDC Audited Financial Statements (Action) (pages 67 - 85)
5. 2020 PAAA Annual Report (Action) (pages 86 - 146)
6. 2020 Investment Reports (Action) (pages 147 - 151)
7. Investment and Deposit Policy (Re-adoption) (Action) (pages 152 - 159)
8. Finance & Audit Committee Charter (Re-adoption) (Action) (pages 160 - 164)
9. Corporate Credit Card Policy (Re-adoption) (Action) (pages 165 - 167)
10. 2020 Finance & Audit Committee Self-Evaluation (Action) (pages 168 - 171)
11. 2020 Management's Assessment of Internal Controls (Informational) (pages 172 - 173)
12. Corporate Credit Card Usage Report (Informational) (page 174)
13. New Business (Informational) (pages 175 – 178)
14. Adjournment

**MINUTES OF A JOINT MEETING OF THE
FINANCE & AUDIT COMMITTEES OF THE
ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (ECIDA or AGENCY)
THE BUFFALO & ERIE COUNTY REGIONAL DEVELOPMENT
CORPORATION (RDC) AND THE BUFFALO & ERIE COUNTY INDUSTRIAL
LAND DEVELOPMENT CORPORATION (ILDC)**

- MEETING:** October 16, 2020, held via telephone conference. Governor Cuomo's Executive Order 202.1, as amended, issued in response to the Coronavirus (COVID-19) crisis, suspended Article 7 of the Public Officers Law to the extent necessary to permit any public body to take actions without permitting in public in-person access to such meetings and authorized such meetings to be held remotely by conference call or other similar service, provided the public has the ability to view or listen to such proceedings and that the meeting is recorded and transcribed.
- LIVE STREAMED:** This meeting is being live-streamed and made accessible on the ECIDA's website at www.ecidanyc.com.
- PRESENT:** Penny Beckwith, Hon. Joseph H. Emminger, Hon. Glenn R. Nellis, Michael Szukala and Art Wingerter
- ABSENT:** William Witzleben
- OTHERS PRESENT:** Karen M. Fiala, Vice President; Mollie Profic, Chief Financial Officer; Atiqah Abidi, Assistant Treasurer; Grant Lesswing, Business Development Office; Brian Krygier, Systems Analyst; Carrie Hocieniec, Administrative Coordinator; Robbie Ann McPherson, Director of Marketing and Communications; Pat Smith, Bookkeeper and Robert G. Murray, Esq., General Counsel/Harris Beach PLLC
- GUESTS:** Kathryn Barrett, on behalf of Freed Maxick

There being a quorum present, Mr. Szukala called the meeting to order at 12:02 p.m.

MINUTES

The September 16, 2020 minutes of the joint meeting of the Committee were presented. Upon motion made by Mr. Nellis, and seconded by Ms. Beckwith, and after a vote was called for by Mr. Szukala, the September 16, 2020 minutes of the Committee were unanimously approved.

FREED MAXICK 2020 AUDIT PLAN

Ms. Barrett from Freed Maxick provided an overview of the 2020 audit plan to the members. Mr. Szukala directed that the report be received and filed.

There being no further business to discuss, Mr. Szukala adjourned the meeting at 12:24 p.m.

Dated: October 16, 2020

Karen M. Fiala, Secretary

REPORT TO THE BOARD OF DIRECTORS

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
BUFFALO AND ERIE COUNTY INDUSTRIAL LAND
DEVELOPMENT CORPORATION
BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT
CORPORATION**

DECEMBER 31, 2020

DRAFT

XXXXXX, 2021

To the Members of the Board of Directors
Erie County Industrial Development Agency
Buffalo and Erie County Industrial Land Development Corporation
Buffalo and Erie County Regional Development Corporation
95 Perry Street, Suite 403
Buffalo, New York 14203

Members of the Board:

We are pleased to present this report related to our audit of the financial statements of Erie County Industrial Development Agency (ECIDA), Buffalo and Erie County Industrial Land Development Corporation (ILDC), and Buffalo and Erie County Regional Development Corporation (RDC), as of and for the year ended December 31, 2020. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for ECIDA/ILDC/RDC's financial reporting process.

This report is intended solely for the information and use of ECIDA/ILDC/RDC and management and is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to be of service to ECIDA/ILDC/RDC.

Very truly yours,

Freed Maxick CPAs, P.C.

CONTENTS

	<u>Page</u>
Required Communications	1-2
Summary of Significant Accounting Estimates	3
Summary of Recorded Audit Adjustments	4
Recently Issued Accounting Standards	5-6
Management Letter	7
<i>Exhibit A</i> – Significant Written Communication Between Management and our Firm Representation Letter	8

DRAFT

Required Communications

Generally accepted auditing standards (AU-C 260, *The Auditors Communications with Those Charge with Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

Area	Comments
Our Responsibilities with Regard to the Financial Statement Audit	Our responsibilities under auditing standards generally accepted in the United States of America and <i>Government Auditing Standards</i> , issued by the Comptroller General of the United States, have been described to you in our arrangement letter dated January 11, 2021. Our audits of the financial statements do not relieve management or those charged with governance of their responsibilities which are also described in that letter.
Overview of the Planned Scope and Timing of the Financial Statement Audit	We have issued a separate communication regarding the planned scope and timing of our audits and have discussed with you our identification of and planned audit response to significant risks of material misstatement.
Accounting Policies and Practices	Preferability of Accounting Policies and Practices
	Under generally accepted principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.
	Adoption of, or Change in, Accounting Policies
Basis of Accounting	Management has the ultimate responsibility for the appropriateness of the accounting policies used by ECIDA/ILDC/RDC. In the current year, ECIDA/ILDC/RDC implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 95, <i>Postponement of Effective Dates of Certain Authoritative Guidance</i> .
	Significant or Unusual Transactions
	We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.
Basis of Accounting	Management's Judgments and Accounting Estimates
	Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached "Summary of Significant Accounting Estimates."
Basis of Accounting	The financial statements were prepared on assumption that the entities will continue as a going concern.

Required Communications (Continued)

Area	Comments
Audit Adjustments	Audit adjustments proposed by us and recorded by the RDC are shown on the attached "Summary of Recorded Audit Adjustments."
Uncorrected Misstatement	We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.
Disagreements with Management	We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit, or significant disclosures to be included in the financial statements.
Consultations with Other Accountants	We are not aware of any consultations management had with other accountants about accounting or auditing matters.
Significant Issues Discussed with Management	No significant issues arising from the audit were discussed with or were the subject of correspondence with management.
Significant Difficulties Encountered in Performing the Audit	We did not encounter any significant difficulties in dealing with management during the audit.
Significant Written Communication Between Management and Our Firm	A copy of the representation letter provided to us by management is attached as Exhibit A.

DRAFT

**Erie County Industrial Development Agency
 Buffalo and Erie County Industrial Land Development Corporation
 Buffalo and Erie County Regional Development Corporation
 Summary of Significant Accounting Estimates
 Year Ended December 31, 2020**

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following describes the significant accounting estimates reflected in the ECIDA/ILDC/RDC's December 31, 2020, financial statements:

Estimate	Accounting Policy	Management's Estimation Process	Basis for Our Conclusions on Reasonableness of Estimate
Depreciation of Property, Plant & Equipment (ECIDA & ILDC)	Management depreciates property, plant and equipment over the estimated lives of the assets.	Useful lives were assigned based on ECIDA/ILDC's useful life policy. Management was consistent in calculating depreciation based on the useful lives assigned to each asset.	The methods and lives used to estimate depreciation expense appears reasonable.
Allowance for Uncollectible Accounts	Management estimates collectability of receivables based on knowledge of past history.	Management reviews prior year write-off information and loan payment histories and uses this to estimate the allowance needed in the current year for the ECIDA/ILDC/RDC.	Management's process to estimate the allowance for uncollectible accounts appears reasonable.
Investments (ECIDA)	Investments are valued at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Additionally, ECIDA recognizes investments in accordance with GASB Statement No. 72, "Fair Value Measurements" as it defines the fair value and establishes a valuation hierarchy for disclosure of the inputs to valuation used to measure fair value. This hierarchy prioritizes the inputs into three broad levels of Level 1, 2 or 3.	Management has described the valuation techniques used for valuing investments at fair value in the financial statements ECIDA Note 7. Additionally, management has broken out the investments into Level 1, 2 or 3 based upon the valuation hierarchy.	Management's process to evaluate fair value and establish the fair value hierarchy of investments appears reasonable.

**Buffalo and Erie County Regional Development Corporation
 Summary of Recorded Audit Adjustments
 Year Ended December 31, 2020**

Number	Account Name	Debit	Credit
AJE #1	1400.3 GF01 Accounts receivable - CARES Act	11,015	
AJE #1	5850.4 GF01 Grant Income - CARES Act		(11,015)
To record the administrative cost receivables for the CARE Act as of 12/31/2020			
		11,015	(11,015)

DRAFT

Recently Issued Accounting Standards

The GASB has issued several statements not yet implemented by the ECIDA/ILDC/RDC. The ECIDA/ILDC/RDC's management has not yet determined the effect these Statements will have on the ECIDA/ILDC/RDC's financial statements. However, the ECIDA/ILDC/RDC plans to implement all standards by the required dates. The Statements which might impact the ECIDA/ILDC/RDC are as follows:

Summary of GASB Statement No. 87, Leases

This Statement issued in June 2017 will be effective for ECIDA/ILDC/RDC with its fiscal year ending December 31, 2022. This Statement better meets the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provision of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. 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 governments' leasing activities.

The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Earlier application is encouraged.

Summary of GASB Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period

This Statement issued in June 2018 will be effective for ECIDA/ILDC/RDC beginning with its fiscal year ending December 31, 2022. The primary objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period.

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

The requirements of GASB Statement No. 89 are effective for financial periods beginning after December 15, 2021. Earlier application is encouraged.

Summary of GASB Statement No. 91, *Conduit Debt Obligations*

This Statement issued in May 2019 will be effective for ECIDA/ILDC/RDC beginning with its fiscal year ending December 31, 2021. The primary objectives of this Statement 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 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 GASB Statement No. 91 are effective for financial periods beginning after December 15, 2020. Earlier application is encouraged.

DRAFT

XXXXXXX, 2021

The Finance & Audit Committees, Boards of Directors, and Management
Erie County Industrial Development Agency
Buffalo and Erie County Regional Development Corporation
Buffalo and Erie County Industrial Land Development Corporation

In planning and performing our audits of the financial statements of Erie County Industrial Development Agency (ECIDA), Buffalo and Erie County Regional Development Corporation, and Buffalo and Erie County Industrial Land Development Corporation (collectively, ECIDA/ILDC/RDC), business-type activities, as of and for the year ended December 31, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the Organizations' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the separate financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organizations' internal control.

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

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

This communication is intended solely for the information and use of management, the Finance & Audit Committees, Boards of Directors, and others within ECIDA/ILDC/RDC. It is not intended to be, and should not be, used by anyone other than these specified parties.

Freed Maxick CPAs, P.C.

**EXHIBIT A – SIGNIFICANT WRITTEN COMMUNICATION
BETWEEN MANAGEMENT AND OUR FIRM**

DRAFT

AUDITED FINANCIAL STATEMENTS

**ERIE COUNTY INDUSTRIAL DEVELOPMENT
AGENCY**

DECEMBER 31, 2020

DRAFT

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
TABLE OF CONTENTS**

	<u>Page</u>
FINANCIAL SECTION	
Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-8
Basic Financial Statements:	
Statements of Net Position	9
Statements of Revenues, Expenses and Changes in Net Position	10
Statements of Cash Flows	11
Notes to Financial Statements	12-20
Supplementary Information:	
Combining Statement of Net Position	21
Combining Statement of Revenues, Expenses and Changes in Net Position	22
INTERNAL CONTROL AND COMPLIANCE	
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>	23-24

FINANCIAL SECTION

DRAFT

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Management's Discussion and Analysis

**December 31, 2020
(UNAUDITED)**

Erie County Industrial Development Agency (ECIDA) is a public benefit corporation that provides tax incentives, financing programs, international trade assistance, land development and other economic development services to the City of Buffalo (the City) and Erie County, New York (the County). In accomplishing its mission, ECIDA does not receive any operational funding from Federal, State, County or local sources. Instead, ECIDA relies primarily upon administrative fees charged to those businesses that utilize its products and services.

As a public benefit corporation, ECIDA is required to comply with accounting standards issued by the Governmental Accounting Standards Board (GASB). Under GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, ECIDA is required to present management's discussion and analysis (MD&A) to assist readers in understanding ECIDA's financial performance.

In compliance with GASB Statement No. 34, we present the attached overview and analysis of the financial activities of ECIDA as of and for the years ended December 31, 2020, 2019 and 2018. We encourage readers to consider the information presented here in conjunction with ECIDA's audited financial statements.

In 2020 the ECIDA was significantly impacted by the COVID-19 pandemic and state of emergency declaration in New York State. ECIDA worked diligently with economic development partners in Erie County to provide assistance and support to businesses negatively impacted by the pandemic. In 2020, certain sections of New York State General Municipal Law were amended and allowed industrial development agencies in the State to provide financial assistance in the form of loans and/or grants to eligible small businesses and not-for-profit corporations in an effort to alleviate the financial hardship caused by the COVID-19 pandemic. ECIDA established a COVID-19 Disaster Emergency Grant Program in July 2020, with an initial funding allocation of \$500,000 of ECIDA general funds. Several references are made in this MD&A to the pandemic and ECIDA grant program.

Basic Overview of the Financial Statements

Included in this report are the following financial statements:

- 1) **Statements of Net Position** – The statements of net position show the reader what ECIDA owns (assets and deferred outflows of resources) and what ECIDA owes (liabilities and deferred inflows of resources). The difference between ECIDA's assets, deferred outflows of resources, liabilities, and deferred inflows of resources (net position) can be one way to measure ECIDA's financial position. Over time, increases or decreases in ECIDA's net position are an indicator of whether its financial health is improving or deteriorating.
- 2) **Statements of Revenues, Expenses, and Changes in Net Position** – This statement reports ECIDA's operating and nonoperating revenues by major source along with operating and nonoperating expenses. The difference between total revenues and expenses can be one way to measure ECIDA's operating results for the year.
- 3) **Statements of Cash Flows** – This statement reports ECIDA's cash flows from operating, capital and related financing, and investing activities.

Financial Highlights

- ECIDA's total net position decreased by 7% from \$22,622,000 in 2019 to \$21,098,000 in 2020.
- ECIDA experienced a decrease in net position of \$1,524,000 in 2020 compared to an increase of \$507,000 in 2019.
- Administrative fees, a key source of revenue for ECIDA, increased 16% from \$1,591,000 in 2019 to \$1,850,000 in 2020.
- Net special project grants decreased to a loss of \$1,363,000 in 2020 from \$853,000 of income in 2019.
- Operating expenses decreased 3% from \$2,827,000 in 2019 to \$2,747,000 in 2020.

Condensed Comparative Financial Statements:

1. Statements of Net Position:

The following table (Table 1) presents condensed comparative financial information and was derived from the audited statements of net position of ECIDA.

Table 1
Statements of Net Position at December 31, 2020, 2019 and 2018
(Amounts in thousands)

	<u>2020</u>	<u>2019</u>	<u>\$ Change</u>	<u>% Change</u>	<u>2018</u>
Assets:					
Cash	\$ 18,670	\$ 19,023	\$ (353)	-2%	\$ 17,302
Loans receivable, net of allowance	-	56	(56)	-100%	97
Capital assets, net	1,249	1,358	(109)	-8%	1,444
Other assets	2,088	1,722	366	21%	3,574
Restricted cash	6,289	7,939	(1,650)	-21%	7,373
Total assets	\$ 28,296	\$ 30,098	\$ (1,802)	-6%	\$ 29,790
Liabilities:					
Current liabilities	\$ 1,064	\$ 691	\$ 373	54%	\$ 1,377
Funds held on behalf of others	6,134	6,786	(652)	-10%	6,242
Other long-term liabilities	-	-	-	0%	56
Total liabilities	7,198	7,477	(279)	-4%	7,675
Net position:					
Investment in capital assets	1,249	1,358	(109)	-8%	1,444
Restricted	11,647	13,009	(1,362)	-10%	12,131
Unrestricted	8,202	8,255	(53)	-1%	8,540
Total net position	21,098	22,622	(1,524)	-7%	22,115
Total liabilities and net position	\$ 28,296	\$ 30,099	\$ (1,803)	-6%	\$ 29,790

Cash – ECIDA's cash balance decreased 2% or \$353,000 primarily due to an increase in receivables of \$524,000 and an overall decrease in net position of \$1,434,000. The increase in cash from 2018 to 2019 was a result of the collection of grants receivable of \$1,883,000 and an increase in net position of \$507,000.

Loans Receivable – Loans receivable represents conduit receivables. The \$56,000 decrease in the loans receivable balance is due to the final conduit loan repayments received during 2020.

Restricted Cash (Funds held on behalf of others) – Restricted cash consists primarily of funds held on behalf of others including the Buffalo Brownfields Redevelopment fund, Regional Redevelopment fund and PILOT Increment Financing (PIF) funds. Also included are investment sales proceeds held in escrow. The \$1,650,000 or 21% decrease from 2019 is due to a decrease in the sales proceeds held in escrow of \$1,000,000 and a decrease of \$762,000 in the Buffalo Brownfields Redevelopment Fund. Sales proceeds held in escrow were released during 2020 and there were continued temporary borrowings from the Buffalo Brownfields Redevelopment Fund by Buffalo Urban Development Corporation.

Other Assets – Other assets include ECIDA's grants receivable, venture capital investments, affiliate receivables, prepaid expenses, and other receivables. The increase in other assets of \$366,000 from 2019 to 2020 is primarily due to an increase in grants receivable of \$500,000, with the award of a new grant during the year. This increase was offset by a \$127,000 decrease in investments. The decrease in other assets between 2018 and 2019 also related mainly to a decrease in grants receivable of \$1,883,000.

Current Liabilities – The \$373,000 increase in current liabilities from 2019 to 2020 is primarily due to a \$581,000 increase in unearned revenue related to grant funds awarded but not yet expended, offset by a \$137,000 decrease in accounts payable. The decrease in current liabilities between 2018 and 2019 related to a decrease in unearned revenue of \$398,000 and a decrease in accounts payable of \$320,000.

Other Long-Term Liabilities – Other long-term liabilities primarily consisted of conduit debt. There has been no long-term portion of conduit debt outstanding in 2020 or 2019. The decrease from 2018 to 2019 was due to payments on loan participation agreements made in 2019.

2. Change in Net Position:

The following table (Table 2) presents condensed, comparative financial information and was derived from ECIDA's audited statements of revenues, expenses, and changes in net position.

Table 2
Change in Net Position for the Years ended December 31, 2020, 2019 and 2018
(Amounts in thousands)

	<u>2020</u>	<u>2019</u>	<u>\$ Change</u>	<u>% Change</u>	<u>2018</u>
Revenue:					
Administrative fees	\$ 1,850	\$ 1,591	\$ 259	16%	\$ 1,201
Affiliate management fees	387	363	24	7%	429
Other income	439	388	51	13%	570
Total revenue	\$ 2,676	\$ 2,342	\$ 334	14%	\$ 2,200
Expenses:					
Salaries and benefits	\$ 2,004	\$ 1,982	\$ 22	1%	\$ 2,017
General and administrative	625	726	(101)	-14%	791
Depreciation and other	118	119	(1)	-1%	119
Total expenses	2,747	2,827	(80)	-3%	2,927
Operating loss before special project grants	(71)	(485)	414	-85%	(727)
Special grants and nonoperating revenue					
Net special project grants	(1,363)	853	(2,216)	-260%	1,084
Investment income (loss)	(127)	32	(159)	-497%	42
Interest income	37	107	(70)	-65%	58
Change in net position	\$ (1,524)	\$ 507	\$ (2,031)	-401%	\$ 457

3. Revenue Analysis:

Administrative Fees – Administrative fees are primarily collected from the issuance of various forms of tax abatements and tax-exempt financing. Fees for tax abatements are based on the amount of project investment. ECIDA relies on these fees to cover its operating costs; however, the amount of fees collected in any given year is largely dependent upon the local economic climate and the timing between project approval and project commencement. Administrative fees increased \$259,000 or 16% in 2020 primarily due to an increase in the average size of project investment from \$16 million in 2019 to \$24 million in 2020. Also during 2020, one project was closed through ILDC that generated \$382,000 of administrative fees that were passed-through to ECIDA, compared to two projects that generated \$166,000 of administrative fees in 2019.

Affiliate Management Fees – Affiliate management fees represent salaries and overhead costs charged to the following ECIDA affiliates for services that ECIDA’s employees provide to these organizations:

- Buffalo & Erie County Regional Development Corporation (RDC) – a lending corporation affiliated with ECIDA.
- Buffalo & Erie County Industrial Land Development Corporation (ILDC) – a land development corporation affiliated with ECIDA.

The following table (Table 3) illustrates the amounts charged to ECIDA’s affiliated corporations in 2020 with comparisons for 2019 and 2018:

Table 3
Affiliate Management Fees for the Years ended December 31, 2020, 2019 and 2018
(Amounts in thousands)

	<u>2020</u>	<u>2019</u>	<u>\$ Change</u>	<u>% Change</u>	<u>2018</u>
Affiliate Management Fees Charged:					
RDC	\$ 292	\$ 302	\$ (10)	-3%	\$ 352
ILDC	95	61	34	56%	77
Total Affiliate Management Fees	\$ 387	\$ 363	\$ 24	7%	\$ 429

Affiliate management fees charged to RDC decreased \$10,000 or 10% primarily due to increased staff time on ILDC’s micro-loan fund in 2020. Those charged to ILDC increased \$34,000 or 34% due to an increase in ECIDA staff time spent on ILDC’s projects during 2020. ILDC’s micro-loan fund had an increase in activity in 2020, and the ILDC purchased additional property, while continuing to develop property that was already owned.

Other Income – Other income is comprised of rental income, international division revenues, loan interest, and miscellaneous income. The increase of \$51,000 or 13% in 2020 is due mainly to an increase in rental income related to one of ECIDA’s properties, which can vary from year to year. The decrease in 2019 from 2018 related to the recovery of a previously written off loan of \$150,000 in 2018 that inflated miscellaneous income for that year.

4. Expense Analysis:

Salaries and Benefits – Increase of \$22,000 in 2020 is primarily due to a \$39,000 increase in accrued leave and a \$16,000 increase in health insurance expenses. Many employees ended 2020 with larger than usual accrued leave balances due to less paid time off used in 2020. There were also payments to two employees who ended their employment with the Agency during the year. Health insurance costs increased due to increased premiums. These increases were offset by a \$36,000 decrease in payroll expense, due to two employees leaving the Agency in 2020.

General and Administrative – In 2020, General and Administrative expenses decreased \$101,000 from \$726,000 to \$625,000. Key expense differences in 2020 include the following:

- Sponsorship expenses decreased \$49,000 due to the expiration of an agreement with an economic development partner and a decrease in event sponsorships as a result of the COVID-19 pandemic.
- Conference and travel-related expenses decreased \$24,000 due to the cancellation of in-person conferences and events due to the COVID-19 pandemic.
- Legal expenses decreased \$17,000 because of decreased need for legal services.

Depreciation – Depreciation expense was \$117,000 for 2020 compared to \$118,000 for 2019.

Net Special Project Grants – Net Special Project Grants decreased from a net gain of \$853,000 in 2019 to a net loss of \$1,363,000 in 2020. In 2020, ECIDA granted \$855,000 to ILDC for the acquisition of property at the former Angola Airport site. ECIDA also established a COVID-19 Personal Protective Equipment (PPE) Grant program in 2020 in response to the state of emergency declared in New York State. \$57,000 of grants were expended in 2020. In 2019, \$1,390,000 was reimbursed to ECIDA for the acquisition of property and certain other costs related to the Bethlehem Steel project, as well as \$375,000 from the sale of property at the site. Those reimbursements were the drivers of the net gain in 2019.

Investment Income (Loss) – The investment loss of \$127,000 is due to a valuation decrease of one of ECIDA's venture capital investments.

5. Budget Analysis:

ECIDA prepares an annual budget which was presented and approved by the Board of Directors on October 23, 2019. The following table (Table 4) presents an analysis of ECIDA's performance compared to the approved 2020 budget.

Table 4
Budget to Actual Analysis for the year ended December 31, 2020
(Amounts in thousands)

	<u>Actual</u>	<u>Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Revenue:				
Administrative fees	\$ 1,850	\$ 1,900	\$ (50)	-3%
Affiliate management fees	387	405	(18)	-4%
Other income	439	440	(1)	0%
Total revenue	2,676	2,745	(69)	-3%
Expenses:				
Salaries and benefits	2,004	2,114	(110)	-5%
General and administrative	625	786	(161)	-20%
Depreciation and other	118	140	(22)	-16%
Total expenses	2,747	3,040	(293)	-10%
Operating loss before special project grants	(71)	(295)	224	-76%
Net special project grants	(1,363)	(2,572)	1,209	-47%
Investment income (loss)	(127)	-	(127)	100%
Interest income	37	105	(68)	-65%
Change in net position	\$ (1,524)	\$ (2,762)	\$ 1,238	-45%

Budget to Actual Analysis:

Overall, ECIDA exceeded its budgeted decrease in net position for 2020 by \$1,238,000. Total revenue was 3% below the budgeted amount due to both administrative fees and affiliate management fees below budgeted amounts. Total expenses were \$293,000, or 10%, below budget. Net special project grants had a positive variance of \$1,209,000 as some of the budgeted special projects were not funded in 2020, including \$1,000,000 of venture capital activity and \$1,000,000 for a forgivable attraction loan, which were included in the budget as a placeholder. Interest income fell \$68,000 below budget, due to sharp decreases in interest rates as a result of the COVID-19 pandemic.

6. Economic Factors Impacting ECIDA:

ECIDA relies extensively upon administrative fees to generate the majority of its annual revenue. As a result of current uncertain economic conditions and potential legislative/board actions, ECIDA's ability to generate the administrative fees necessary to support operations may be limited in the future.

7. Requests for Information:

This financial report is designed to provide a general overview of ECIDA's finances. Questions concerning any of the financial information provided in this report should be addressed to the CFO of ECIDA at (716) 856-6525. General information relating to ECIDA can be found at its website, www.ecidany.com.

DRAFT

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
STATEMENTS OF NET POSITION
DECEMBER 31,**

ASSETS	<u>2020</u>	<u>2019</u>
Current assets:		
Cash and cash equivalents	\$ 18,669,826	\$ 19,023,148
Receivables		
Current portion of conduit loans	-	56,294
Affiliates	577,111	553,651
Grants	831,498	331,434
Other	126,734	126,649
Prepaid expenses	45,558	76,118
Total current assets	<u>20,250,727</u>	<u>20,167,294</u>
Noncurrent assets:		
Capital assets, net	1,249,227	1,358,104
Investments	506,886	634,061
Restricted cash	6,289,218	7,939,159
Total noncurrent assets	<u>8,045,331</u>	<u>9,931,324</u>
 Total assets	 <u>\$ 28,296,058</u>	 <u>\$ 30,098,618</u>
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 74,652	\$ 211,642
Accrued expenses	164,444	179,329
Current portion of conduit debt	-	56,294
Unearned revenue	825,000	243,707
Total current liabilities	<u>1,064,096</u>	<u>690,972</u>
Noncurrent liabilities:		
Funds held on behalf of others	6,134,119	6,785,656
Total noncurrent liabilities	<u>6,134,119</u>	<u>6,785,656</u>
 Total liabilities	 <u>7,198,215</u>	 <u>7,476,628</u>
NET POSITION		
Investment in capital assets:		
Restricted	1,249,227	1,358,104
Unrestricted	11,646,524	13,008,827
Total net position	<u>8,202,092</u>	<u>8,255,059</u>
 Total liabilities and net position	 <u>\$ 28,296,058</u>	 <u>\$ 30,098,618</u>

See accompanying notes.

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31,**

	<u>2020</u>	<u>2019</u>
Operating revenues:		
Administrative fees	\$ 1,850,078	\$ 1,590,700
Affiliate management fees and related income	387,152	363,803
Rental income	287,717	246,217
Loan interest	-	21
Other income	150,651	141,856
Total operating revenues	<u>2,675,598</u>	<u>2,342,597</u>
Operating expenses:		
Salaries and benefits	2,003,970	1,982,021
General and administrative	624,717	726,329
Depreciation	117,025	118,825
Other expenses	973	595
Total operating expenses	<u>2,746,685</u>	<u>2,827,770</u>
Operating loss before special project grants	(71,087)	(485,173)
Special project grants:		
Revenues	112,937	2,236,240
Expenses	(1,475,907)	(1,382,771)
Net income (loss) from special project grants	<u>(1,362,970)</u>	<u>853,469</u>
Operating income (loss)	(1,434,057)	368,296
Nonoperating revenues (expenses):		
Investment income (loss)	(127,175)	31,915
Interest income	37,085	107,000
Total nonoperating revenues (expenses)	<u>(90,090)</u>	<u>138,915</u>
Change in net position	(1,524,147)	507,211
Net position - beginning of year	<u>23,500,096</u>	<u>22,992,885</u>
Net position - end of year	<u>\$ 21,975,949</u>	<u>\$ 23,500,096</u>

See accompanying notes.

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,**

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities:		
Cash received from fees and rental income	\$ 2,137,710	\$ 1,808,145
Cash received from special project grants	194,166	3,721,462
Loan repayments and loan interest collected	-	3,198
Cash received from affiliates and other sources	514,343	514,282
Payments to employees, suppliers, and other	(2,750,975)	(3,026,465)
Payments for special project grants	(1,475,907)	(1,382,771)
Net cash provided (used) by operating activities	<u>(1,380,663)</u>	<u>1,637,851</u>
Cash flows from capital and related financing activities:		
Purchases of capital assets	(8,148)	(33,396)
Net cash used by capital and related financing activities	<u>(8,148)</u>	<u>(33,396)</u>
Cash flows from investing activities:		
Change in restricted cash, net of funds held on behalf of others	998,404	(22,062)
Cash received from equity investments	-	31,915
Interest	37,085	107,000
Net cash provided by investing activities	<u>1,035,489</u>	<u>116,853</u>
Net increase (decrease) in cash and cash equivalents	(353,322)	1,721,308
Cash and cash equivalents - beginning of year	<u>19,023,148</u>	<u>17,301,840</u>
Cash and cash equivalents - end of year	<u>\$ 18,669,826</u>	<u>\$ 19,023,148</u>
Reconciliation of operating (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (1,434,057)	\$ 368,296
Adjustment to reconcile income from operations to net cash provided (used) by operating activities:		
Depreciation expense	117,025	118,825
(Increase) decrease in receivables	(523,609)	1,865,942
(Increase) decrease in prepaid expenses	30,560	(10,241)
Decrease in accounts payable	(136,990)	(319,810)
Increase (decrease) in accrued expenses	(14,885)	12,531
Increase (decrease) in unearned revenue	581,293	(397,692)
Net cash provided (used) by operating activities	<u>\$ (1,380,663)</u>	<u>\$ 1,637,851</u>

See accompanying notes.

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Erie County Industrial Development Agency (ECIDA) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The ECIDA's significant accounting policies are described below.

A. REPORTING ENTITY

Erie County Industrial Development Agency (ECIDA) was created in 1970 by an act of the Legislature of the State of New York (the State) for the purpose of encouraging financially sound companies to establish themselves and prosper in Erie County (the County).

ECIDA has related party relationships with Buffalo and Erie County Industrial Land Development Corporation (ILDC) and Buffalo and Erie County Regional Development Corporation (RDC). All three entities are managed by the same personnel and RDC currently shares a common board with ECIDA. These entities share the same mission, which is to provide the resources that encourage investment innovation, and international trade creating a successful business climate that improves the quality of life for the residents of the region.

B. BASIS OF PRESENTATION

Revenues from administrative fees, management fees, rental income and interest on loans are reported as operating revenues. All expenses related to the ECIDA are reported as operating expenses. Interest income and realized and unrealized gains are reported as nonoperating revenues and expenses, as appropriate.

When both restricted and unrestricted resources are available for use, it is the ECIDA's policy to use restricted resources first, then unrestricted resources as they are needed.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The ECIDA is reported as a special-purpose government engaged in business-type activities. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services. The financial statements of the ECIDA are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place.

Nonexchange transactions, in which the ECIDA gives or receives value without directly receiving or giving equal value in exchange, include grants. Revenue from grants is recognized in the year in which all eligibility requirements have been satisfied.

D. TAX INCENTIVE TRANSACTIONS

ECIDA maintains an economic development incentive program to provide sales, property, and/or mortgage recording tax benefits for qualified construction, renovation, or expansion projects or other economic development activities within Erie County. Under this program, ECIDA may take title to or a leasehold interest in the real and/or personal property involved in the project for the term of the incentive period. ECIDA simultaneously leases the property under a lease agreement to the company undertaking the project (lessee). ECIDA receives administrative fees from the lessee for providing these tax incentives which are recognized according to the terms of the fee agreement.

ECIDA is an issuer of tax-exempt bond financing for qualified manufacturers and low-income housing projects. These bonds are obligations of the borrower. Since ECIDA has no obligation to repay the principal and interest of such bonds, they are not reflected as liabilities in the accompanying financial statements. ECIDA receives bond issuance fees from the borrower for providing this service. ECIDA also has a shared services agreement with ILDC under which administrative and staffing services are provided to ILDC in connection with its bond issuances to nonprofit organizations in exchange for the related bond issuance fees received by ILDC. Such fees totaled \$382,050 and \$166,250, respectively, for the years ended December 31, 2020 and 2019.

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS**

E. CASH AND CASH EQUIVALENTS

The ECIDA's cash and cash equivalents consists of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition.

F. RESTRICTED ASSETS

Certain assets are classified on the Balance Sheet and Statement of Net Position as restricted because their use is limited. See Note 5 for the detail of restricted cash.

G. PREPAID EXPENSES

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses.

H. CAPITAL ASSETS

Capital assets are recorded at acquisition cost and depreciated over the estimated useful lives of the respective assets using the straight-line method. The cost of repairs, maintenance and minor replacements are expensed as incurred, whereas expenditures that materially extend property lives are capitalized. When depreciable property is retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any gain or loss is reflected in income. Contributed capital assets are recorded at fair value at the date received.

Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the ECIDA are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Furniture and equipment	\$ 1,000	Straight-line	3-10 years
Buildings and improvements	1,000	Straight-line	5-40 years

In 1989, ECIDA developed a public warehouse and trans-shipment facility (the Port Terminal Facility) at the Gateway Metroport facility in the City of Lackawanna. The Port Terminal Facility provides enclosed storage facilities and materials handling services for the trans-shipment of goods by water, rail and truck. The facility is owned by ECIDA and is operated by Gateway Trade Center, Inc. Rental property is recorded at cost which includes all costs incurred during the development stage, net of accumulated depreciation. Port Terminal Facility rental property assets are fully depreciated.

ECIDA also owns its former office space at 143 Genesee Street. This property is recorded at cost and leased to a third party.

I. INVESTMENTS

Investments include venture capital investments made by ECIDA in order to spur local economic growth. The Urban Development Action Grant (UDAG) and General Accounts include venture capital investments that are recorded at the lesser of cost or fair value.

J. INSURANCE

The ECIDA is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, personal injury liability, and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. Settled claims from these risks has not yet exceeded commercial insurance coverage for the past three years.

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS**

K. GRANTS

Grants are recognized at the time awarded, with timing differences resulting from funds spent and earned. ECIDA receives special project grants from various Federal, State and County governments. ECIDA also acts as a pass-through entity for certain companies who receive funding from the State, including the Department of Transportation (DOT).

In certain cases, funding is received in the form of a combination of a grant and a loan. One year after completion of the specified program and with State approval and acceptance, companies begin repaying the loan. A long-term liability and repayment plan receivable are established as the companies receiving the funding from the State are contractually obligated to repay ECIDA for its debt service requirements to the State. The payment terms of the conduit receivables are equivalent to the terms of ECIDA's loans to the State.

L. NET POSITION

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

- a. *Investment in capital assets* - Consists of capital assets including restricted capital assets, net of accumulated depreciation.
- b. *Restricted* - Consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets if their use is constrained to a particular purpose. Restrictions are imposed by Federal Urban Development Action Grants (UDAG).
- c. *Unrestricted* - The net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position and therefore are available for general use by ECIDA.

M. STATEMENTS OF CASH FLOWS

For the purposes of the statement of cash flows, the ECIDA considers all cash to be unrestricted including demand accounts and certificates of deposit with an original maturity of generally three months or less.

N. USE OF ESTIMATES IN PREPARATION OF FINANCIAL STATEMENTS

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources 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.

O. ACCOUNTING PRONOUNCEMENTS

On May 8, 2020, the GASB issued Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance* in response to the COVID-19 pandemic. The effective dates of GASB Statements not yet implemented by the ECIDA have been updated below to reflect the impact of this Statement. There were no new GASB Statements implemented by the ECIDA for the year ended December 31, 2020.

The following are GASB Statements that have been issued recently and are currently being evaluated, by the ECIDA, for their potential impact in future years.

- Statement No. 87, *Leases*, which will be effective for the year ending December 31, 2022.
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which will be effective for the year ending December 31, 2021.
- Statement No. 91, *Conduit Debt Obligations*, which will be effective for the year ending December 31, 2022.
- Statement No. 92, *Omnibus 2020*, which will be effective for the year ending December 31, 2022.
- Statement No. 93, *Replacement of Interbank Offered Rates*, which will be effective for the year ending December 31, 2021, except for paragraph 11b, which will be effective for the year ending December 31, 2022.
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which will be effective for the year ending December 31, 2023.

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS

- Statement No. 96, *Subscription-Based Information Technology Arrangements*, which will be effective for the year ending December 31, 2023.
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and 84, and a supersession of GASB Statement No. 32*, which will be effective for the year ending December 31, 2022.

NOTE 2 - CASH AND INVESTMENTS

ECIDA's investment policies are governed by State statutes. In addition, ECIDA has its own written investment policy. ECIDA monies must be deposited in Federal Deposit Insurance Corporation (FDIC)-insured commercial banks or trust companies located within the State. ECIDA is authorized to use interest bearing demand accounts and certificates of deposit. Permissible investments include obligations of the United States Treasury and its agencies, repurchase agreements and obligations of the State and its localities.

Collateral is required for demand deposits and certificates of deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies, obligations of the State and its municipalities and school districts and obligations issued by other than New York State rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.

As of December 31, 2020 and 2019, the ECIDA aggregate bank deposits were considered fully collateralized.

Investment and Deposit Policy

ECIDA follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conformance with federal, state and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of ECIDA's Chief Financial Officer.

Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. ECIDA's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

ECIDA's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. ECIDA's investment and deposit policy authorizes the reporting entity to purchase the following types of investments:

- Interest bearing demand accounts.
- Certificates of deposit.
- Obligations of the United States Treasury and United States agencies.
- Obligations of New York State and its localities.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with ECIDA's investment and deposit policy, all deposits of ECIDA including interest bearing demand accounts and certificates of deposit, in excess of the amount insured under the provisions of the Federal Deposit Insurance Corporation (FDIC) shall be secured by a pledge of securities with an aggregate value equal to 100% of the aggregate amount of deposits. ECIDA restricts the securities to the following eligible items:

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and United States agencies.
- Obligations issued or fully insured or guaranteed by the State of New York and its localities.
- Obligations issued by other than New York State rated in one of the three highest rating categories by at least one nationally recognized statistical rating organizations.

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS**

NOTE 3 - LOANS RECEIVABLE

Loans are made to local businesses, with UDAG monies under certain restrictions, to complement private financing at a 4% interest rate with varying repayment terms. All loans are classified as commercial loans. Loans in non-accrual status are fully reserved.

During 2013, the ECIDA provided a \$1,000,000 forgivable loan to a manufacturing company. Half of that amount was immediately forgiven and the other \$500,000 will be forgiven in \$100,000 installments from 2019 through 2023 as long as the borrower maintains minimum employment requirements as set forth in the agreement. The portion not immediately forgiven is included in loans receivable and fully recognized in the allowance for uncollectible loans.

During the 2019 year, the ECIDA established an allowance for uncollectible loans amounting to \$400,000. There was no change to the allowance as of December 31, 2020.

NOTE 4 - GRANTS RECEIVABLE

The following is a summary of grants receivable at December 31:

	<u>2020</u>	<u>2019</u>
Buffalo Southern Railroad - 2017 PFRAP Rail Improvement	\$ 140	\$ 140
Sumitomo Dunlop Rail - PFRAP	6,358	14,352
National Grid - Zero Net Energy Building	125,000	125,000
Bethlehem Rail Phase II	-	191,942
Bethlehem Water and Sewer	<u>700,000</u>	-
Total	<u>\$ 831,498</u>	<u>\$ 331,434</u>

NOTE 5 - FUNDS HELD ON BEHALF OF OTHERS AND OTHER RESTRICTED CASH

ECIDA acts as a fiduciary for certain cash held for various development activities. ECIDA disburses these funds when given the appropriate authorization. The funds include:

	<u>2020</u>	<u>2019</u>
Erie County Regional Redevelopment Fund	\$ 1,528,292	\$ 1,525,156
Buffalo Brownfields Redevelopment Fund	217,484	979,274
Regionally Significant Project Funds: Buffalo Urban Development Corporation	-	17,531
Seneca Street Corridor	1,657,749	1,516,590
Main Street Improvement Fund	<u>2,730,594</u>	<u>2,747,105</u>
Total funds held on behalf of others	<u>6,134,119</u>	<u>6,785,656</u>
Other restricted cash:		
Railway Trust Fund	155,099	153,503
Sales proceeds held in escrow	-	1,000,000
Total restricted cash	<u>\$ 6,289,218</u>	<u>\$ 7,939,159</u>

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS**

NOTE 6 - CAPITAL ASSETS

Capital asset activity for ECIDA for the year ended December 31, 2020 was as follows:

	Balance 01/01/2020	Increases	Decreases	Balance 12/31/2020
Capital assets not being depreciated:				
Land	\$ 167,400	\$ -	\$ -	\$ 167,400
Capital assets being depreciated:				
Land improvements	1,106,386	-	-	1,106,386
Buildings	2,747,489	-	-	2,747,489
Furniture and equipment	463,388	8,148	-	471,536
Total capital assets, being depreciated	4,317,263	8,148	-	4,325,411
Less accumulated depreciation:				
Land improvements	770,820	54,528	-	825,348
Buildings	1,954,378	36,043	-	1,990,421
Furniture and equipment	401,361	26,454	-	427,815
Total accumulated depreciation	3,126,559	117,025	-	3,243,584
Total capital assets being depreciated, net	1,190,704	(108,877)	-	1,081,827
Total capital assets, net	\$ 1,358,104	\$ (108,877)	\$ -	\$ 1,249,227

Capital asset activity for ECIDA for the year ended December 31, 2019 was as follows:

	Balance 01/01/2019	Increases	Decreases	Balance 12/31/2019
Capital assets not being depreciated:				
Land	\$ 167,400	\$ -	\$ -	\$ 167,400
Capital assets being depreciated:				
Land improvements	1,106,386	-	-	1,106,386
Buildings	2,747,489	-	-	2,747,489
Furniture and equipment	471,744	33,396	41,752	463,388
Total capital assets, being depreciated	4,325,619	33,396	41,752	4,317,263
Less accumulated depreciation:				
Land improvements	716,292	54,528	-	770,820
Buildings	1,918,335	36,043	-	1,954,378
Furniture and equipment	414,859	28,254	41,752	401,361
Total accumulated depreciation	3,049,486	118,825	41,752	3,126,559
Total capital assets being depreciated, net	1,276,133	(85,429)	-	1,190,704
Total capital assets, net	\$ 1,443,533	\$ (85,429)	\$ -	\$ 1,358,104

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS**

NOTE 7 - INVESTMENTS

The ECIDA's investments consisted of the following at December 31:

	<u>2020</u>		<u>2019</u>	
	<u>Cost</u>	<u>Fair value</u>	<u>Cost</u>	<u>Fair value</u>
Equity interest	\$ 913,136	\$ 506,886	\$ 987,187	\$ 634,061

In accordance with GASB Statement No. 72 Fair Value Measurement and Application, investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction at the measurement date. U.S. GAAP establishes a framework for measuring fair value of assets and liabilities. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

- Level 1: Valuation is based on quoted prices (unadjusted) in active markets for identical assets or liabilities in active markets that the ECIDA has ability to access.
- Level 2: Valuation is based upon quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, or other inputs that are observable for the asset and liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3: Valuation is based upon unobservable inputs that are significant to the fair value measurement.

Where quoted prices are available in an active market, investments are classified within Level 1 of the valuation hierarchy. If quoted market prices are not available, fair values are estimated using quoted prices of securities with similar characteristics or inputs other than quoted prices that are observable for the security, and would be classified within Level 2 of the valuation hierarchy. In certain cases where there is limited activity or less transparency around inputs to the valuation, securities would be classified within Level 3 of the valuation hierarchy.

Following is a description of the valuation methodology used at December 31, 2020 and 2019:

Equity interest - Value based analysis performed by industry consultant familiar with the industries in which the ECIDA has equity interest.

All investments are classified as a level 3 of the valuation hierarchy.

NOTE 8 - UNEARNED REVENUE

ECIDA received a grant from Erie County in the amount of \$700,000 in July 2020 to support the design, engineering and construction administration of water and sewer utility extensions and upgrades on the former Bethlehem Steel property. As of December 31, 2020, the entirety of that amount is included as unearned revenue as ECIDA has not begun expending grant funds.

ECIDA received an Economic Development Program grant from National Grid in the amount of \$125,000 in January 2017. As of December 31, 2020, the entirety of that amount is included as unearned revenue as ECIDA has not yet met the requirements to begin expending grant funds.

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS**

NOTE 9 - RELATED PARTY TRANSACTIONS

Affiliate Management Fees

ECIDA allocates a portion of personnel and rental costs to its affiliates, RDC and ILDC. ECIDA earned \$387,152 and \$363,803 in affiliate management fees for the years ended December 31, 2020 and 2019, respectively. Management fees and related receivables by affiliate are as follows:

	Management Fees and Rental Costs		Receivables	
	2020	2019	2020	2019
RDC	\$ 292,107	\$ 302,332	\$ 293,638	\$ 303,021
ILDC	95,045	61,471	283,473	250,630
Total	\$ 387,152	\$ 363,803	\$ 577,111	\$ 553,651

ECIDA also provides personnel to perform administrative and accounting functions on behalf of Buffalo Urban Development Corporation, which amounted to \$119,444 and \$104,414 for the years ended December 31, 2020 and 2019, respectively. BUDC administration fees are included in other income on the Statements of Revenues and Expenses.

NOTE 10 - OPERATING LEASES

Office rent expense for the years ended December 31, 2020 and 2019 amounted to \$191,473 and \$192,143, respectively.

The ECIDA renewed their office lease agreement with Empire State Development effective for the period of October 1, 2018 through September 30, 2023. This lease agreement states a base lease amount of \$176,633 per annum plus utility charges that will be determined on an annual basis.

ECIDA recognized \$213,529 of rental income on its former office for the years ended December 31, 2020 and 2019. The net book value of the leased property is approximately \$1,047,300 at December 31, 2020.

Future annual rental income anticipated under this noncancelable lease is:

2021	\$ 209,869
2022	122,423
	\$ 332,292

NOTE 11 - PENSION

ECIDA maintains a defined contribution simplified employee pension (SEP) plan covering all of its employees. Employees are eligible to participate six months after employment, with employer contributions vesting immediately. During 2020 and 2019, ECIDA made discretionary contributions of 12% of eligible employees' salaries. ECIDA's expense for contribution to the plan for the years ended December 31, 2020 and 2019 amounted to \$173,647 and \$169,282, respectively. Employees are also permitted to participate in the New York State Deferred Compensation Plan but ECIDA does not make contributions to this plan.

NOTE 12 - CONTINGENCIES

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. This event is not expected to have a structural impact on the IDA. This may result in a reduction of business development projects in the short-term. The IDA will be further assessing small business relief programs from the government to determine the IDA's role in helping local businesses when additional information is available.

NOTE 13 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through XXXXX, 2021, which is the date the financial statements are available for issuance and have determined there are no subsequent events that require disclosure under generally accepted accounting principles.

DRAFT

DRAFT

SUPPLEMENTARY INFORMATION

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 COMBINING STATEMENT OF NET POSITION
 DECEMBER 31, 2020**

	<u>General Account</u>	<u>UDAG Account</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 7,617,692	\$ 11,052,134	\$ 18,669,826
Receivables			
Affiliates	388,968	188,143	577,111
Grants	831,498	-	831,498
Other	126,734	-	126,734
Prepaid expenses	45,558	-	45,558
Total current assets	<u>9,010,450</u>	<u>11,240,277</u>	<u>20,250,727</u>
Noncurrent assets:			
Capital assets, net	1,249,227	-	1,249,227
Investments	100,639	406,247	506,886
Restricted cash	6,289,218	-	6,289,218
Total noncurrent assets	<u>7,639,084</u>	<u>406,247</u>	<u>8,045,331</u>
Total assets	<u>\$ 16,649,534</u>	<u>\$ 11,646,524</u>	<u>\$ 28,296,058</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 74,652	\$ -	\$ 74,652
Accrued expenses	164,444	-	164,444
Unearned revenue	825,000	-	825,000
Total current liabilities	<u>1,064,096</u>	<u>-</u>	<u>1,064,096</u>
Noncurrent liabilities:			
Funds held on behalf of others	6,134,119	-	6,134,119
Total noncurrent liabilities	<u>6,134,119</u>	<u>-</u>	<u>6,134,119</u>
Total liabilities	<u>7,198,215</u>	<u>-</u>	<u>7,198,215</u>
NET POSITION			
Investment in capital assets	1,249,227	-	1,249,227
Restricted	-	11,646,524	11,646,524
Unrestricted	8,202,092	-	8,202,092
Total net position	<u>9,451,319</u>	<u>11,646,524</u>	<u>21,097,843</u>
Total liabilities and net position	<u>\$ 16,649,534</u>	<u>\$ 11,646,524</u>	<u>\$ 28,296,058</u>

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>General Account</u>	<u>UDAG Account</u>	<u>Total</u>
Operating revenues:			
Administrative fees	\$ 1,850,078	\$ -	\$ 1,850,078
Affiliate management fees and rental income	387,152	-	387,152
Rental income	287,717	-	287,717
Other income	150,651	-	150,651
Total operating revenues	<u>2,675,598</u>	<u>-</u>	<u>2,675,598</u>
Operating expenses:			
Salaries and benefits	2,003,970	-	2,003,970
General and administrative	623,943	774	624,717
Depreciation	117,025	-	117,025
Other expenses	973	-	973
Total operating expenses	<u>2,745,911</u>	<u>774</u>	<u>2,746,685</u>
Operating loss before special project grants	(70,313)	(774)	(71,087)
Special project grants:			
Revenues	112,937	-	112,937
Expenses	(194,413)	(1,281,494)	(1,475,907)
Net loss from special project grants	<u>(81,476)</u>	<u>(1,281,494)</u>	<u>(1,362,970)</u>
Operating loss	(151,789)	(1,282,268)	(1,434,057)
Nonoperating revenues (expenses):			
Investment income (loss)	(23,750)	(103,425)	(127,175)
Interest income	13,695	23,390	37,085
Total nonoperating revenues (expenses)	<u>(10,055)</u>	<u>(80,035)</u>	<u>(90,090)</u>
Change in net position	(161,844)	(1,362,303)	(1,524,147)
Net position - beginning of year	<u>9,613,163</u>	<u>13,008,827</u>	<u>22,621,990</u>
Net position - end of year	<u>\$ 9,451,319</u>	<u>\$ 11,646,524</u>	<u>\$ 21,097,843</u>

DRAFT

INTERNAL CONTROL AND COMPLIANCE

**AUDITED
FINANCIAL STATEMENTS**

**BUFFALO AND ERIE COUNTY REGIONAL
DEVELOPMENT CORPORATION**

DECEMBER 31, 2020

DRAFT

**BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION
CONTENTS**

	<u>Page</u>
FINANCIAL SECTION	
Independent Auditor's Report	1-2
Financial Statements	
Statements of Net Position	3
Statements of Revenues, Expenses, and Changes in Net Position	4
Statements of Cash Flows	5
Notes to Financial Statements	6-10
Supplementary Information	
Combining Statement of Net Position	11
Combining Statement of Revenues, Expenses and Changes in Net Position	12
Schedule of Expenditures of Federal Awards	13
Notes to the Schedule of Expenditures of Federal Awards	14-15
INTERNAL CONTROL AND COMPLIANCE	
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>	16-17
Independent Auditor's Report on Compliance for each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	18-19
Schedule of Findings and Questioned Costs	20
Schedule of Prior Year Findings and Questioned Costs	21

BUFFALO & ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION

Management's Discussion and Analysis

**December 31, 2020
(UNAUDITED)**

Buffalo & Erie County Regional Development Corporation (RDC) was incorporated for the purpose of encouraging the expansion of existing companies in target areas of Erie County (the County) by establishing a revolving loan fund (RLF). The U.S. Department of Commerce Economic Development Administration (EDA) is the oversight body of the RDC's RLFs. A Loan Administration Plan (LAP) that outlines the RDC's lending processes and goals is approved by EDA every five years.

As special-purpose government engaged in business-type activities, RDC is required to comply with accounting standards issued by the Governmental Accounting Standards Board (GASB). Under GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, RDC is required to present management's discussion and analysis (MD&A) to assist readers in understanding RDC's financial performance.

In compliance with GASB Statement No. 34, we present the attached overview and analysis of the financial activities of RDC as of and for the years ended December 31, 2020, 2019 and 2018. We encourage readers to consider the information presented here in conjunction with RDC's audited financial statements.

In 2020 the RDC was impacted by the COVID-19 pandemic and state of emergency declaration in New York State. RDC was afforded certain flexibilities by the EDA, which allowed RDC to work with borrowers to defer loan payments, if needed. Under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, EDA awarded \$5 million to ECIDA to capitalize a new RLF, which ECIDA sub-granted to RDC to administer.

Basic Overview of the Financial Statements

Included in this report are the following financial statements:

- 1) **Statements of Net Position** – The statements of net position show the reader what RDC owns (assets and deferred outflows of resources) and what RDC owes (liabilities and deferred inflows of resources). The difference between RDC's assets, deferred outflows of resources, liabilities, and deferred inflows of resources (net position) can be one way to measure RDC's financial position. Over time, increases or decreases in RDC's net position are an indicator of whether its financial health is improving or deteriorating.
- 2) **Statements of Revenues, Expenses, and Changes in Net Position** – This statement reports RDC's operating and nonoperating revenues by major source along with operating and nonoperating expenses. The difference between total revenues and expenses can be one way to measure RDC's operating results for the year.
- 3) **Statements of Cash Flows** – This statement reports RDC's cash flows from operating, capital and related financing, and investing activities.

Financial Highlights

- RDC's total net position decreased slightly from \$17,043,000 in 2019 to \$17,015,000 in 2020.
- RDC experienced a decrease in net position of \$27,000 in 2020 compared to a decrease of \$1,280,000 in 2019.
- Operating revenues decreased 22% from \$500,000 in 2019 to \$388,000 in 2020.
- Operating expenses decreased 70% from \$1,818,000 in 2019 to \$541,000 in 2020.

Condensed Comparative Financial Statements:

1. Statements of Net Position:

The following table (Table 1) presents condensed comparative financial information and was derived from the audited statements of net position of RDC.

Table 1
Statements of Net Position at December 31, 2020, 2019 and 2018
(Amounts in thousands)

	<u>2020</u>	<u>2019</u>	<u>\$ Change</u>	<u>% Change</u>	<u>2018</u>
Assets:					
Cash	\$ 6,543	\$ 7,650	\$ (1,107)	-14%	\$ 5,963
Accounts receivable	11	-	11	100%	-
Loans receivable, net	10,758	9,720	1,038	11%	12,714
Total assets	\$ 17,312	\$ 17,370	\$ (58)	0%	\$ 18,677
Liabilities:					
Accounts payable	\$ 3	\$ 24	\$ (21)	-88%	\$ -
Due to affiliate	294	303	(9)	-3%	354
Total liabilities	297	327	(30)	-9%	354
Net position:					
Restricted	17,015	17,043	(28)	0%	18,323
Total net position	17,015	17,043	(28)	0%	18,323
Total liabilities and net position	\$ 17,312	\$ 17,370	\$ (58)	0%	\$ 18,677

Cash – RDC’s cash balance decreased 14% or \$1,107,000 primarily due to an increase in loans disbursed during 2020. The cash increase from \$5,963,000 in 2018 to \$7,650,000 in 2019 was a result of loan payoffs.

Loans Receivable, net – Loans receivable relate to the RLFs operated by RDC, net of an allowance. Loans receivable increased \$1,038,000, or 11% from 2019 to 2020, due to loans closed during 2020. The decrease in loans receivable from \$12,714,000 in 2018 to \$9,720,000 in 2019 was a result of loan payoffs and loan write-offs.

Due to Affiliate – Due to affiliate reflects the amount due to ECIDA under a shared services agreement for personnel and overhead at the end of the year. The \$9,000 decrease in due to affiliate from 2019 to 2020 reflects the change in hours charged to RDC by ECIDA employees. The decrease in amounts due to affiliate from \$354,000 in 2018 to \$327,000 in 2019 related mainly to staffing changes during 2019.

2. Change in Net Position:

The following table (Table 2) presents condensed, comparative financial information and was derived from RDC's audited statements of revenues, expenses, and changes in net position.

Table 2
Change in Net Position for the Years ended December 31, 2020, 2019 and 2018
(Amounts in thousands)

	<u>2020</u>	<u>2019</u>	<u>\$ Change</u>	<u>% Change</u>	<u>2018</u>
Operating revenue:					
Interest from loans	\$ 375	\$ 491	\$ (116)	-24%	\$ 450
Loan commitment fees	13	9	4	44%	26
Total revenue	<u>\$ 388</u>	<u>\$ 500</u>	<u>\$ (112)</u>	<u>-22%</u>	<u>\$ 476</u>
Operating expenses:					
General and administrative	\$ 450	\$ 377	\$ 73	19%	\$ 389
Loan loss expense, net recoveries	91	1,441	(1,350)	-94%	38
Total expenses	<u>541</u>	<u>1,818</u>	<u>(1,277)</u>	<u>-70%</u>	<u>427</u>
Operating income (loss)	(153)	(1,318)	1,165	-88%	49
Nonoperating revenue					
Interest income	15	38	(23)	-61%	28
Grant contributions	111	-	111	100%	-
Change in net position	<u>\$ (27)</u>	<u>\$ (1,280)</u>	<u>\$ 1,253</u>	<u>-98%</u>	<u>\$ 77</u>

3. Revenue Analysis:

Interest from Loans – Interest on loans is collected from borrowers in accordance with the terms of each promissory note. RDC loans bear interest at rates ranging from 1% to 6.5%, in accordance with the Loan Administration Plan provisions in effect at the time the loan is approved. Interest income from loans decreased \$116,000, or 24%, from 2019 to 2020 as a result of fewer outstanding loans and the COVID-19 pandemic. Many borrowers had a period of interest deferral during 2020. Interest increased from \$450,000 in 2018 to \$491,000 in 2019 due to a greater number of loans outstanding in 2019 couples with higher interest rates.

Loan Commitment Fees – Loan commitment fees are generally charged on loans greater than \$100,000. Commitment fees vary from year to year depending on the dollar amounts of individual loans. In 2020 there were relaxations afforded to commitment fees as a result of the COVID-19 pandemic.

4. Expense Analysis:

General and Administrative – In 2020, general and administrative expenses increased \$73,000 from \$377,000 to \$450,000. The increase in general and administrative expenses is attributable mainly to legal expenses. Legal expenses increased \$77,000 due to higher costs associated with four delinquent loans. The four delinquent loans were written off at December 31, 2020.

Loan Loss Expense, net Recoveries – Loan loss expense, net recoveries consists of the dollar amount of loan loss expense in a year, plus any loan recoveries during that same year of previously written off loans. In 2020, loan loss expense was \$112,000, net of \$21,000 of loan recoveries. This was a decrease from 2019, when loan loss expense was \$1,446,000, net of \$5,000 of loan recoveries. There were four loans fully reserved at December 31, 2019, which were then written off in 2020.

Grant Contributions – Grant contributions relate directly to amounts sub-granted from ECIDA under the CARES Act RLF. The RLF was established in 2020 and there was \$111,000 granted in 2020 related to two loans and administrative costs.

5. Budget Analysis:

RDC prepares an annual budget which was presented and approved by the Board of Directors on October 23, 2019. The following table (Table 3) presents an analysis of RDC's performance compared to the approved 2020 budget.

Table 3
Budget to Actual Analysis for the year ended December 31, 2020
(Amounts in thousands)

	<u>Actual</u>	<u>Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Operating revenue:				
Interest from loans	\$ 375	\$ 470	\$ (95)	-20%
Loan commitment fees	13	10	3	30%
Total revenue	<u>388</u>	<u>480</u>	<u>(92)</u>	<u>-19%</u>
Operating expenses:				
General and administrative	450	400	50	13%
Loan loss expense, net recoveries	91	185	(94)	-51%
Total expenses	<u>541</u>	<u>585</u>	<u>(44)</u>	<u>-8%</u>
Operating income (loss)	(153)	(105)	(48)	46%
Interest income	15	17	(2)	-12%
Grant contributions	111	-	111	100%
Change in net position	<u>\$ (27)</u>	<u>\$ (88)</u>	<u>\$ 61</u>	<u>-69%</u>

Budget to Actual Analysis:

Overall, RDC exceeded its budgeted decrease in net position for 2020 by \$61,000. Total operating revenue was \$92,000, or 19%, below the budgeted amount due to lower interest income from loans in 2020. This is a direct result of interest deferrals granted in response to the COVID-19 pandemic. Total expenses were \$44,000, or 8%, below budget. The 2020 grant contributions were not part of the 2020 approved budget, as there was no knowledge of a new RLF at the time the budget was approved.

6. Economic Factors Impacting RDC:

RDC relies upon loan interest income to generate revenue for continued operations. As a result of current uncertain economic conditions and borrowers' ability to repay, RDC's ability to generate the income necessary to support operations may be limited in the future.

7. Requests for Information:

This financial report is designed to provide a general overview of RDC's finances. Questions concerning any of the financial information provided in this report should be addressed to the CFO of RDC at (716) 856-6525. General information relating to RDC can be found on ECIDA's website, www.ecidany.com.

DRAFT

FINANCIAL SECTION

BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION
STATEMENTS OF NET POSITION
DECEMBER 31,

	<u>2020</u>	<u>2019</u>
ASSETS		
Current assets:		
Cash	\$ 6,542,915	\$ 7,650,215
Accounts receivable	11,015	-
Loans receivable	1,078,654	1,441,199
Total current assets	<u>7,632,584</u>	<u>9,091,414</u>
Noncurrent assets:		
Loans receivable, net	9,679,043	8,278,392
Total assets	<u>\$ 17,311,627</u>	<u>\$ 17,369,806</u>
LIABILITIES		
Accounts payable	\$ 2,659	\$ 23,723
Due to affiliate	293,638	303,021
Total liabilities	<u>296,297</u>	<u>326,744</u>
NET POSITION		
Restricted	17,015,330	17,043,062
Total net position	<u>17,015,330</u>	<u>17,043,062</u>
Total liabilities and net position	<u>\$ 17,311,627</u>	<u>\$ 17,369,806</u>

See accompanying notes.

**BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION
 STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 FOR THE YEARS ENDED DECEMBER 31,**

	<u>2020</u>	<u>2019</u>
OPERATING REVENUES		
Interest from loans	\$ 374,671	\$ 490,376
Loan commitment fees	13,000	9,190
Total operating revenues	<u>387,671</u>	<u>499,566</u>
OPERATING EXPENSES		
General and administrative	450,214	376,636
Loan loss expense, net recoveries	91,217	1,440,676
Total operating expenses	<u>541,431</u>	<u>1,817,312</u>
Operating loss	(153,760)	(1,317,746)
NONOPERATING REVENUES		
Interest income	15,013	38,110
Grant contributions	111,015	-
Total nonoperating revenues	<u>126,028</u>	<u>38,110</u>
Change in net position	(27,732)	(1,279,636)
Net position - beginning of year	<u>17,043,062</u>	<u>18,322,698</u>
Net position - end of year	<u>\$ 17,015,330</u>	<u>\$ 17,043,062</u>

DRAFT

See accompanying notes.

BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments collected on loans receivable	\$ 2,530,186	\$ 4,890,136
Loan interest and fees	387,671	499,566
Loans awarded	(3,680,070)	(3,342,600)
Payments to vendors and affiliates	(480,661)	(403,734)
Loan loss recoveries	20,561	5,477
Net cash provided (used) by operating activities	<u>(1,222,313)</u>	<u>1,648,845</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	15,013	38,110
Net cash provided by investing activities	<u>15,013</u>	<u>38,110</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
CARES Act subgrant	100,000	-
Net cash provided by financing activities	<u>100,000</u>	<u>-</u>
Net increase (decrease) in cash	(1,107,300)	1,686,955
Cash - beginning of year	7,650,215	5,963,260
Cash - end of year	<u>\$ 6,542,915</u>	<u>\$ 7,650,215</u>
Reconciliation of operating loss to net cash provided (used) by operating activities:		
Operating loss	\$ (153,760)	\$ (1,317,746)
Adjustment to reconcile operating loss to net cash provided (used) by operating activities:		
Provision for loan loss	111,778	1,446,153
(Increase) decrease in loans receivable	(1,149,884)	1,547,536
Increase (decrease) in accounts payable	(21,064)	23,408
Increase (decrease) in due to affiliate	(9,383)	(50,506)
Net cash provided (used) by operating activities	<u>\$ (1,222,313)</u>	<u>\$ 1,648,845</u>

See accompanying notes.

**BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Buffalo and Erie County Regional Development Corporation (RDC) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The RDC's significant accounting policies are described below.

A. REPORTING ENTITY

Buffalo and Erie County Regional Development Corporation (RDC) was incorporated for the purpose of encouraging the expansion of existing companies in target areas of the County of Erie (the County) by establishing an Industrial Revolving Loan Fund from which RDC makes loans to individual companies. RDC manages a revolving loan program maintained under an established loan administration plan approved by the grantor governing the management of the revolving loan program.

RDC has related party relationships with the Erie County Industrial Development Agency (ECIDA) and Buffalo and Erie County Industrial Land Development Corporation (ILDC). All three entities are managed by the same personnel and the RDC currently shares a common board with ECIDA. These entities share the same mission, which is to provide the resources that encourage investment innovation, and international trade creating a successful business climate that improves the quality of life for the residents of the region.

In accordance with accounting standards, the RDC is not considered a component unit of another entity.

B. BASIS OF PRESENTATION

Revenues from administrative fees and interest on loans are reported as operating revenues. All expenses related to operating the RDC are reported as operating expenses. Certain other transactions are reported as nonoperating activities including the RDC's grant income and interest income from deposits.

When both restricted and unrestricted resources are available for use, it is the RDC's policy to use restricted resources first, then unrestricted resources as they are needed.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

RDC is considered a special-purpose government engaged in business-type activities. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services. The financial statements of the RDC are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the cash transaction takes place.

Nonexchange transactions, in which the RDC gives or receives value without directly receiving or giving equal value in exchange, include grants. Revenue from grants is recognized in the fiscal year in which all eligibility requirements have been satisfied.

D. INCOME TAXES

RDC is exempt from federal income tax under Internal Revenue Code Section 501(c)(3) and the income realized will not be subject to New York State corporate franchise tax.

E. LOANS RECEIVABLE

Loans receivable are stated at the principal amount outstanding, net of a provision for loan loss. The allowance method is used to compute the provision for loan loss.

Determination of the balance of the provision for loan loss is based on an analysis of the loan portfolio and reflects an amount that, in management's judgment, is adequate to provide for potential loan losses. Loans are written off when, in management's judgment, no legal recourse is available to collect the amount owed.

BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS

Interest on loans receivable is accrued as required by the terms of the agreement. Management considers that collection is probable based on the current economic condition of the borrower. Accrual of interest ceases when management adjusts a loan reserve to 50% or more of the loan's outstanding balance. RDC is not accruing interest on any loans as of December 31, 2020 or 2019.

F. INSURANCE

RDC is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, personal injury liability, and natural disasters. These risks are covered by commercial insurance purchased from independent third parties. Judgments and claims are recorded when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. Settled claims from these risks has not yet exceeded commercial insurance coverage.

G. STOCK WARRANTS

In connection with certain loans, RDC has received, at no cost, stock purchase warrants from the borrowers. The borrower is sometimes given the right to repurchase these warrants from RDC at a predetermined price. RDC also receives rights to convert certain loans to equity of the borrower.

H. NET POSITION

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

- a. Restricted – Consists of net positions with constraints 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.
- b. Unrestricted – all other net positions that do not meet the definition of "restricted."

I. STATEMENTS OF CASH FLOWS

For the purposes of the statements of cash flows, the RDC considers all cash to be unrestricted including demand accounts and certificates of deposit with an original maturity of generally three months or less.

J. USE OF ESTIMATES IN PREPARATION OF FINANCIAL STATEMENTS

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. This affects the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates.

K. ACCOUNTING PRONOUNCEMENTS

On May 8, 2020, the GASB issued Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance* in response to the COVID-19 pandemic. The effective dates of GASB Statements not yet implemented by the RDC have been updated below to reflect the impact of this Statement. There were no new GASB Statements implemented by the RDC for the year ended December 31, 2020.

The following are GASB Statements that have been issued recently and are currently being evaluated, by the RDC, for their potential impact in future years.

- Statement No. 87, *Leases*, which will be effective for the year ending December 31, 2022.
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which will be effective for the year ending December 31, 2021.
- Statement No. 91, *Conduit Debt Obligations*, which will be effective for the year ending December 31, 2022.
- Statement No. 92, *Omnibus 2020*, which will be effective for the year ending December 31, 2022.

BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS

- Statement No. 93, *Replacement of Interbank Offered Rates*, which will be effective for the year ending December 31, 2021, except for paragraph 11b, which will be effective for the year ending December 31, 2022.
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which will be effective for the year ending December 31, 2023.
- Statement No. 96, *Subscription-Based Information Technology Arrangements*, which will be effective for the year ending December 31, 2023.
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-an amendment of GASB Statements No. 14 and 84, and a supersession of GASB Statement No. 32*, which will be effective for the year ending December 31, 2022.

NOTE 2. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

A. ASSETS

1. CASH AND INVESTMENTS

RDC's investment policies are governed by State statutes. In addition, RDC has its own written investment policy. RDC monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. RDC's Chief Financial Officer is authorized to use interest bearing demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, repurchase agreements and obligations of the State of New York and its localities.

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

As of December 31, 2020 and 2019, the RDC's aggregate bank deposits were considered fully collateralized.

Investment and Deposit Policy

RDC follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conformance with federal, state and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of the Chief Financial Officer of the Buffalo and Erie County Regional Development Corporation.

Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. RDC's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

RDC's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. RDC's investment and deposit policy authorizes the reporting entity to purchase the following types of investments:

- Interest bearing demand accounts.
- Certificates of deposit.
- Obligations of the United States Treasury and United States agencies.
- Obligations of New York State and its localities.

BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with RDC's investment and deposit policy, all deposits of RDC including interest bearing demand accounts and certificates of deposit, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act (FDIC) shall be secured by a pledge of securities with an aggregate value equal to 100% of the aggregate amount of deposits. RDC restricts the securities to the following eligible items:

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and United States agencies.
- Obligations issued or fully insured or guaranteed by New York State and its localities.

2. LOANS RECEIVABLE

The revolving loan program was originally established through multiple grants received between 1979 and 1983 from the U.S. Economic Development Administration (EDA) amounting to \$7,000,000. Matching funds totaling \$5,250,500 were also received from various sources

In August of 2020, the ECIDA entered into a financial assistance award agreement with the U.S. Economic Development Administration (EDA) amounting to \$5,000,000 to fund a new revolving loan fund to help the region due to the COVID-19 pandemic. RDC is a subrecipient of this grant award and will administer the revolving loan fund. As of December 31, 2020, \$100,000 was received and issued as loans.

RDC provides low-interest loans to businesses located in Erie County in order to encourage economic development. Loans receivable consisted of the following at December 31:

	<u>2020</u>	<u>2019</u>
Total loans receivable	\$ 10,939,109	\$ 11,615,554
Less: provision for loan loss	<u>181,412</u>	<u>1,895,963</u>
Loans receivable, net	10,757,697	9,719,591
Less: current portion	<u>1,078,654</u>	<u>1,441,199</u>
Loans receivable - long-term	<u>\$ 9,679,043</u>	<u>\$ 8,278,392</u>

The RDC's policy is to present loans receivable net of a provision for loan loss. At December 31, 2020 and 2019, the allowance for uncollectible loans was \$181,412 and \$1,895,963, respectively.

At December 31, 2020, the loans awarded to local businesses bear interest at rates ranging from 1% to 6.5% with varying payment terms. All loans are classified as commercial.

BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS

Scheduled maturities of principal for these notes for the next five years and thereafter are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 1,028,349	\$ 361,613
2022	1,052,583	319,934
2023	1,065,735	269,673
2024	847,387	225,994
2025	776,322	190,864
Thereafter	5,837,807	259,893
Total	\$ <u>10,608,183</u>	\$ <u>1,627,971</u>

This schedule does not include the variable interest rate loans that are administered by various financial institutions. The total outstanding balance of those loans is \$149,514 at December 31, 2020 with a current portion in the amount of \$50,305.

B. EXPENSES

ECIDA allocates a portion of its personnel and overhead costs to the RDC based on a cost allocation plan. Costs allocated by ECIDA amounted to \$292,106 and \$302,332 for the years ended December 31, 2020 and 2019, respectively. Amounts owed to ECIDA at December 31, 2020 and 2019 totaled \$293,638 and \$303,021, respectively.

NOTE 3. CONTINGENCIES

Economic Development Administration Revolving Loan Fund Risk Analysis System

RDC is required to comply with EDA regulations regarding the utilization of revolving loan funds. These regulations are based on measures applied by the EDA's risk analysis system. This RDC received a risk rating of Level B based on information submitted to the EDA for the year ending December 31, 2019. This risk analysis will be updated on an annual basis determined by reports submitted by the RDC to the EDA within 90 days following the RDC year end.

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. Management has discussed the RDC's operations and the impact of this event. They have determined that the RDC's loan portfolio could be impacted but they believe the allowance for loan loss is sufficient to cover any potential loan losses. RDC will work with borrowers under the guidance of EDA and the RDC's Loan Administration Plan on a case by case basis.

NOTE 4. SUBSEQUENT EVENT

Management has evaluated subsequent events through XXXX, 2021, which is the date the financial statements are available for issuance and have determined there are no subsequent events that require disclosure under generally accepted accounting principles.

DRAFT

SUPPLEMENTARY INFORMATION

**BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION
 COMBINING STATEMENT OF NET POSITION
 DECEMBER 31, 2020**

	<u>EDA Account</u>	<u>CARES Act Account</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash	\$ 6,542,685	\$ 230	\$ 6,542,915
Accounts receivable	-	11,015	11,015
Due from other funds	-	803	803
Loans receivable	1,078,654	-	1,078,654
Total current assets	<u>7,621,339</u>	<u>12,048</u>	<u>7,633,387</u>
Noncurrent assets:			
Loans receivable, net	<u>9,579,043</u>	<u>100,000</u>	<u>9,679,043</u>
Total assets	<u>\$ 17,200,382</u>	<u>\$ 112,048</u>	<u>\$ 17,312,430</u>
LIABILITIES			
Accounts payable	\$ 2,659	\$ -	\$ 2,659
Due to other funds	803	-	803
Due to affiliate	281,590	12,048	293,638
Total liabilities	<u>285,052</u>	<u>12,048</u>	<u>297,100</u>
NET POSITION			
Restricted	16,915,330	100,000	17,015,330
Total net position	<u>16,915,330</u>	<u>100,000</u>	<u>17,015,330</u>
Total liabilities and net position	<u>\$ 17,200,382</u>	<u>\$ 112,048</u>	<u>\$ 17,312,430</u>

DRAFT

**BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>EDA Account</u>	<u>CARES Act Account</u>	<u>Total</u>
OPERATING REVENUES			
Interest from loans	\$ 374,671	\$ -	\$ 374,671
Loan commitment fees	13,000	-	13,000
Total operating revenues	<u>387,671</u>	<u>-</u>	<u>387,671</u>
OPERATING EXPENSES			
General and administrative	439,199	11,015	450,214
Loan loss expense, net recoveries	91,217	-	91,217
Total operating expenses	<u>530,416</u>	<u>11,015</u>	<u>541,431</u>
Operating loss	(142,745)	(11,015)	(153,760)
NONOPERATING REVENUES			
Interest income	15,013	-	15,013
Grant contributions	-	111,015	111,015
Total nonoperating revenues	<u>15,013</u>	<u>111,015</u>	<u>126,028</u>
Change in net position	(127,732)	100,000	(27,732)
Net position - beginning of year	<u>17,043,062</u>	<u>-</u>	<u>17,043,062</u>
Net position - end of year	<u>\$ 16,915,330</u>	<u>\$ 100,000</u>	<u>\$ 17,015,330</u>

DRAFT

**BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR YEAR ENDED DECEMBER 31, 2020**

<u>Federal Grantor/Pass Through Grantor/ Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Pass-Through to Subrecipients</u>	<u>Total Federal Expenditures</u>
U.S. Department of Commerce				
<i>Passed through Erie County Industrial Development Agency</i>				
Economic Adjustment Assistance	11.307	Various	\$ -	\$ 14,735,491
COVID 19 - Economic Adjustment Assistance-CARES Act	11.307	01-79-15022	-	111,015
<i>Total Economic Development Cluster</i>			-	14,846,506
<i>Total U.S. Department of Commerce</i>			-	14,846,506
Total Expenditures of Federal Awards			\$ -	\$ 14,846,506

DRAFT

See notes to Schedule of Expenditures of Federal Awards.

**BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION
 NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Buffalo and Erie County Regional Development Corporation (RDC), under programs of the federal government for the year ended December 31, 2020. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Federal awards passed through from other governmental agencies are included in the schedule. Because the Schedule presents only a selected portion of the operations of the RDC, it is not intended and does not present the financial position, changes in net position, or cash flows of the RDC.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. The amounts reported as federal expenditures were obtained from the RDC's financial reporting system, which is the source of the RDC's basic financial statements.

NOTE 3 - ECONOMIC ADJUSTMENT ASSISTANCE PROGRAM

The Economic Adjustment Assistance program, administered by the U.S. Economic Development Administration (EDA), specifically requires the amount on the Schedule to be calculated as follows:

Economic Adjustment Assistance	
EDA grants	\$ 12,466,574
Total revolving loan funds	16,622,098
Total EDA share	<u>75%</u>
Cash	\$ 6,542,685
Outstanding loans receivable, 12/31/2020	10,839,109
Administrative cost allowance	439,199
Loan write-offs	1,826,327
Sum of EDA dollars/Total project costs	<u>19,647,320</u>
Total EDA share (noted above)	75%
Total economic adjustment assistance	<u>\$ 14,735,491</u>

**(Continued)BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION
 NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED DECEMBER 31, 2020**

NOTE 4 - ECONOMIC ADJUSTMENT ASSISTANCE PROGRAM – CARES ACT

The Economic Adjustment Assistance – CARES Act program, administered by the U.S. Economic Development Administration (EDA), specifically requires the amount on the Schedule to be calculated as follows:

Economic Adjustment Assistance - CARES Act

Outstanding loans receivable, 12/31/2020	\$ 100,000
Administrative cost allowance	11,015
Loan write-offs	-
Sum of EDA dollars/Total project costs	<u>111,015</u>
Total EDA share	<u>100% *</u>
Total economic adjustment assistance	<u>\$ 111,015</u>

* CARES Act funding is 100% federally funded. There are no applicable matching requirements.

NOTE 5- INDIRECT COST RATE

RDC has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

DRAFT

DRAFT

INTERNAL CONTROL AND COMPLIANCE

**BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED DECEMBER 31, 2020**

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

Yes X No
 Yes X None Reported

Noncompliance material to financial statements noted?

Yes X No

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

Yes X No
 Yes X None Reported

Type of auditor's report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

Yes X No

Identification of major federal programs:

CFDA Number(s)

11.307

Name of Federal Program

Economic Adjustment Assistance

Dollar threshold used to distinguish between Type A and Type B programs:

\$ 750,000

Auditee qualified as low-risk auditee?

X Yes No

II. FINDINGS - FINANCIAL STATEMENT AUDIT

There were no findings related to the financial statement audit noted for the year ended December 31, 2020.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION

There were no findings or questioned costs related to federal awards noted for the year ended December 31, 2020.

**BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED DECEMBER 31, 2020**

I. FINANCIAL STATEMENT AUDIT

There were no findings related to the financial statement audit noted for the year ended December 31, 2019.

II. FEDERAL AWARD FINDINGS AND QUESTIONED COST SECTION

There were no findings or questioned costs related to federal awards noted for the year ended December 31, 2019.

DRAFT

AGREED-UPON PROCEDURES

Buffalo and Erie County Regional Development Corporation

For the period of January 1, 2020 through December 31, 2020.

**INDEPENDENT ACCOUNTANT'S REPORT ON
APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors of the
Buffalo and Erie County Regional Development Corporation
Buffalo, New York

We have performed the procedures enumerated below, which were agreed to by the Buffalo and Erie County Regional Development Corporation (the "RDC"), on the loan monitoring procedures and documentation maintained by the RDC for the purpose of evaluating the monitoring procedures and records maintained in accordance with the Loan Administrative Plan (the "Plan") as set forth by the Economic Development Administration (the "EDA"), during the period of January 1, 2020 through December 31, 2020. RDC's management is responsible for loan monitoring procedures and records maintained in accordance with the Plan. The sufficiency of these procedures is solely the responsibility of the parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The procedures performed and related findings are as follows:

Procedure 1

We have verified that RDC has monitored loans on an annual basis in accordance with section D.2. Loan Monitoring Procedures of the Plan for loans selected for testing for the period of January 1, 2020 through December 31, 2020.

Findings

There were two findings noted. Two instances of inadequate files maintained by the RDC for two active loan recipients. However, we noted that there have been attempts made by the RDC to contact the loan recipients to obtain the most recent files need.

Procedure 2

We have verified that the RDC has obtained the environmental reviews for all loans that are collateralized with commercial real estate in accordance with section B.3 Loan Processing Procedures of the Plan for loans selected for testing for the period of January 1, 2020 through December 31, 2020.

Findings

There were no findings noted.

Procedure 3

We have verified the RDC has obtained the Federal Regulations Acknowledgment form in accordance with Section B.1. Loan Processing Procedures of the Plan for the loans selected for testing for the period of January 1, 2020 through December 31, 2020.

Findings

There were no findings noted.

This agreed-upon-procedure engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively on compliance with specified requirements. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of Board of Directors and the management of the RDC and is not intended and should not be used by anyone other than the specified parties.

Buffalo, New York
March 4, 2021

DRAFT

**AUDITED
FINANCIAL STATEMENTS**

**BUFFALO AND ERIE COUNTY INDUSTRIAL
LAND DEVELOPMENT CORPORATION
(A COMPONENT UNIT OF COUNTY OF ERIE,
NEW YORK)**

DECEMBER 31, 2020

DRAFT

**BUFFALO AND ERIE COUNTY INDUSTRIAL
LAND DEVELOPMENT CORPORATION
(A COMPONENT UNIT OF COUNTY OF ERIE, NEW YORK)
TABLE OF CONTENTS**

	<u>Page</u>
FINANCIAL SECTION	
Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-7
Basic 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	11-16
Supplementary Information:	
Combining Statement of Net Position	17
Combining Statement of Revenues, Expenses and Changes in Net Position	18
INTERNAL CONTROL AND COMPLIANCE	
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>	19-20

BUFFALO & ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION

Management's Discussion and Analysis

**December 31, 2020
(UNAUDITED)**

Buffalo & Erie County Industrial Land Development Corporation (ILDC) was incorporated for the purpose of participating in the acquisition and development of industrial sites and to provide financial assistance for the acquisition or renovation of fixed assets by industrial companies locating or expanding in the County of Erie, New York (the County). ILDC is considered a component unit of the County. ILDC also manages a microenterprise revolving loan program on behalf of the County.

As special-purpose government engaged in business-type activities, ILDC is required to comply with accounting standards issued by the Governmental Accounting Standards Board (GASB). Under GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, ILDC is required to present management's discussion and analysis (MD&A) to assist readers in understanding ILDC's financial performance.

In compliance with GASB Statement No. 34, we present the attached overview and analysis of the financial activities of ECIDA as of and for the years ended December 31, 2020, 2019 and 2018. We encourage readers to consider the information presented here in conjunction with ILDC's audited financial statements.

In 2020 the ILDC was impacted by the COVID-19 pandemic and state of emergency declaration in New York State. ILDC was able to work with borrowers to defer loan payments, if needed. Erie County also made changes to the existing microenterprise loan fund to boost small businesses, rebranding it as a Microenterprise Loan/Grant Program. ILDC continued to move forward in developing brownfield property at the former Bethlehem Steel site in Lackawanna, NY, and completed the purchase of land at the former Angola Airport site in Evans, NY.

Basic Overview of the Financial Statements

Included in this report are the following financial statements:

- 1) **Statements of Net Position** – The statements of net position show the reader what ILDC owns (assets and deferred outflows of resources) and what ILDC owes (liabilities and deferred inflows of resources). The difference between ILDC's assets, deferred outflows of resources, liabilities, and deferred inflows of resources (net position) can be one way to measure ILDC's financial position. Over time, increases or decreases in ILDC's net position are an indicator of whether its financial health is improving or deteriorating.
- 2) **Statements of Revenues, Expenses, and Changes in Net Position** – This statement reports ILDC's operating and nonoperating revenues by major source along with operating and nonoperating expenses. The difference between total revenues and expenses can be one way to measure ILDC's operating results for the year.
- 3) **Statements of Cash Flows** – This statement reports ILDC's cash flows from operating, capital and related financing, and investing activities.

Financial Highlights

- ILDC's total net position increased by 13% from \$6,260,000 in 2019 to \$7,043,000 in 2020.
- ILDC experienced an increase in net position of \$783,000 in 2020 compared to a decrease of \$403,000 in 2019.
- Operating revenues increased 449% from \$71,000 in 2019 to \$390,000 in 2020.
- Operating expenses increased 179% from \$239,000 in 2019 to \$667,000 in 2020.

Condensed Comparative Financial Statements:

1. Statements of Net Position:

The following table (Table 1) presents condensed comparative financial information and was derived from the audited statements of net position of ILDC.

Table 1
Statements of Net Position at December 31, 2020, 2019 and 2018
(Amounts in thousands)

	<u>2020</u>	<u>2019</u>	<u>\$ Change</u>	<u>% Change</u>	<u>2018</u>
Assets:					
Cash	\$ 1,945	\$ 208	\$ 1,737	835%	\$ 228
Grants receivable	514	1,919	(1,405)	-73%	1,671
Loans receivable, net	36	37	(1)	-3%	19
Other assets	2	283	(281)	-99%	-
Land held for sale	6,900	5,860	1,040	18%	6,531
Total assets	\$ 9,397	\$ 8,307	\$ 1,090	13%	\$ 8,449
Liabilities:					
Accounts payable	\$ 38	\$ 9	\$ 24	267%	\$ 1,416
Due to affiliate	283	251	32	13%	209
Unearned revenue	2,038	1,787	251	14%	161
Total liabilities	2,354	2,047	307	15%	1,786
Net position:					
Restricted	206	221	(15)	-7%	205
Unrestricted	6,837	6,039	798	13%	6,458
Total net position	7,043	6,260	783	13%	6,663
Total liabilities and net position	\$ 9,397	\$ 8,307	\$ 1,090	13%	\$ 8,449

Cash – ILDC's cash balance increased 835% or \$1,737,000 primarily due to a decrease in grants receivables of \$1,405,000 and an overall increase in net position of \$783,000.

Grants Receivable – Grants receivable decreased 73% or \$1,405,000 due to the receipt of \$1,755,000 from Empire State Development for Phase II of Bethlehem Steel land acquisition, combined with a new receivable of \$354,000 from National Grid for Western New York Agribusiness Park Planning.

Loans Receivable, net – Loans receivable relate to the microenterprise revolving loan fund, known as the Erie County Business Development Fund. Loans receivable decreased slightly (\$1,000) from 2019 to 2020, due to payments on loan principal during the year.

Other Assets – Other assets include deposits on land purchases, affiliate receivables, and capital assets. The decrease in other assets of \$281,000 from 2019 to 2020 is due to decreases deposits on land purchases (\$155,000) and affiliate receivables (\$125,000). The deposit on land at the end of 2019 was used toward the purchase of property the Angola Airport site in 2020, and affiliate receivables were collected. The increase in other assets between 2018 and 2019 related mainly to those same categories.

Land Held for Sale – Land held for sale consists of 138 acres of land at the former Bethlehem Steel property in Lackawanna, NY and 236 acres of land at the former Angola Airport site in Evans, NY. In connection with its economic development purpose, ILDC is working with several partners to return these underutilized properties to productive use. The \$1,040,000 increase in land held for sale from 2019 to 2020 reflects the purchase of the Evans, NY property. The decrease in land held for sale from 2018 to 2019 is due to a sale of property at the Lackawanna site.

Accounts Payable – The \$24,000 increase in accounts payable from 2019 to 2020 is primarily due to an increase in payables related to project consultants. The \$1,416,000 decrease in accounts payable between 2018 and 2019 related to a large payable related to ECIDA reimbursement in 2018.

Unearned Revenue – Unearned revenue relates to grants awarded to the ILDC, for which the related revenue has not yet been recognized. The \$251,000 increase from 2019 to 2020 is due to an increase in the dollar amount of grants awarded. The increase from 2018 to 2019 was due to grants awarded during 2019.

2. Change in Net Position:

The following table (Table 2) presents condensed, comparative financial information and was derived from ILDC's audited statements of revenues, expenses, and changes in net position.

Table 2
Change in Net Position for the Years ended December 31, 2020, 2019 and 2018
(Amounts in thousands)

	<u>2020</u>	<u>2019</u>	<u>\$ Change</u>	<u>% Change</u>	<u>2018</u>
Revenue:					
Administrative fee income	\$ 382	\$ -	\$ 382	100%	\$ 83
Gain on land held for sale	-	34	(34)	-100%	-
Land Development and other	8	37	(29)	-78%	1
Total revenue	\$ 390	\$ 71	\$ 319	449%	\$ 84
Expenses:					
Transfer to ECIDA	\$ 477	\$ 61	\$ 416	682%	\$ 160
General and administrative	189	177	12	7%	114
Depreciation	1	1	-	0%	-
Total expenses	667	239	428	179%	274
Operating loss	(277)	(168)	(109)	65%	(190)
Nonoperating revenue					
Grant income	1,163	1,047	116	11%	3,131
Grant and loan loss expenses	(103)	(1,282)	1,179	-92%	(3,011)
Change in net position	\$ 783	\$ (403)	\$ 1,186	-294%	\$ (70)

3. Revenue Analysis:

Administrative Fees – ILDC is an issuer of tax-exempt bond financing for not-for-profit entities. These bonds are not obligations of the ILDC or the County. ILDC receives bond issuance fees from borrowers for providing this service. ILDC has a shared services agreement with ECIDA under which administrative and staffing services are provided to ILDC in connection with bond issuances in exchange for the related bond issuance fees received by ILDC. There was one bond issued in 2020, accounting for the increase in fees from 2019. Similarly, there was one bond issued in 2018, which caused the decrease in fees for 2019.

Land Development and Other – Land development income arises from payments from third parties for use of ILDC-owned land. Other income consists of interest on loans and loan loss recoveries. The \$29,000 decrease from 2019 to 2020 is due mainly to a \$19,000 loan recovery in 2019. This is also the reason for the increase from 2018 to 2019.

4. Expense Analysis:

Transfer to ECIDA – The amount transferred to ECIDA each year under the shared services agreement consists of administrative fees for bond issuances plus charges from ECIDA for personnel and overhead. Charges for personnel and overhead are derived from ECIDA employee hours dedicated to ILDC-related projects. The \$416,000 increase from 2019 to 2020 relates mainly to an administrative fee of \$382,000 for a bond issuance. The decrease from 2018 to 2019 relates to an \$83,000 bond issuance fee in 2018. There were no ILDC bond issuances in 2019.

General and Administrative – In 2020, general and administrative expenses increased \$12,000 from \$177,000 to \$189,000. The increase was due mainly to increased insurance and property tax costs related to additional property acquired in 2020. General and administrative expenses also increased \$63,000 from 2018 to 2019 as a result of increased costs related to property owned.

Grant Income – Grant income increased \$116,000 in 2020 from \$1,047,000 in 2019. This was due mainly to a grant from ECIDA in the amount of \$855,000 to fund the acquisition of the former Angola Airport site. The decrease from 2018 to 2019 relates to grant income recognized in 2018 related to the purchase of the former Bethlehem Steel site.

Grant and Loan Loss Expenses – Grant expenses relate directly to the costs involved with certain projects undertaken by the ILDC and can vary from year to year based on activity. There was a \$1,279,000 decrease in grant and loan loss expenses from 2019 to 2020, due to the recognition of \$750,000 of loan loss expense in 2019 in relation fully reserving the balance of a forgivable loan.

5. Budget Analysis:

ILDC prepares an annual budget which was presented and approved by the Board of Directors on October 23, 2019. The following table (Table 3) presents an analysis of ILDC's performance compared to the approved 2020 budget.

Table 3
Budget to Actual Analysis for the year ended December 31, 2020
(Amounts in thousands)

Budget to Actual Analysis:

	<u>Actual</u>	<u>Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Revenue:				
Administrative fee income	\$ 382	\$ -	\$ 382	100%
Land development and other	8	250	(242)	-97%
Total revenue	390	250	140	56%
Expenses:				
Transfer to ECIDA	477	58	419	722%
General and administrative	189	54	135	250%
Depreciation and other	1	1	-	0%
Total expenses	667	113	554	490%
Operating income (loss)	(277)	137	(414)	-302%
Grant income	1,163	2,080	(917)	-44%
Grant expenses	(103)	(2,080)	1,977	100%
Change in net position	\$ 783	\$ 137	\$ 646	472%

Overall, ILDC exceeded its budgeted decrease in net position for 2020 by \$646,000. Total revenue was \$140,000, or 56%, above the budgeted amount due to administrative fees collected in 2020. Due to the unpredictable nature of bond issuances, ILDC typically does not include any administrative fees in its budget. Total expenses were \$554,000, or 490%, above budget. Grant income was \$917,000 below the budgeted amount, while grant expenses were \$1,977,000 below budget. The 2020 budgeted grant figures included \$1,755,000 of income and expense that did not require reimbursement to ECIDA, as originally anticipated.

6. Economic Factors Impacting ILDC:

ILDC relies upon land sale income to generate revenue for continued operations, as well as grant income from Erie County and other economic development partners to defray the costs associated with land development. As a result of current uncertain economic conditions ILDC's ability to generate the income necessary to support operations may be limited in the future.

7. Requests for Information:

This financial report is designed to provide a general overview of ILDC's finances. Questions concerning any of the financial information provided in this report should be addressed to the CFO of ILDC at (716) 856-6525. General information relating to ILDC can be found on ECIDA's website, www.ecidany.com.

**BUFFALO AND ERIE COUNTY INDUSTRIAL
LAND DEVELOPMENT CORPORATION
(A COMPONENT UNIT OF COUNTY OF ERIE, NEW YORK)
STATEMENTS OF NET POSITION
DECEMBER 31,**

	<u>2020</u>	<u>2019</u>
ASSETS		
Current assets:		
Cash	\$ 1,944,866	\$ 207,639
Grants receivable	514,051	1,919,084
Loans receivable, current	11,643	13,812
Interest receivable	-	70
Due from affiliate	-	125,000
Deposit on land purchase	-	155,638
Total current assets	<u>2,470,560</u>	<u>2,421,243</u>
Noncurrent assets:		
Loans receivable, net	24,323	22,750
Capital assets, net	1,625	2,600
Land held for sale	6,900,166	5,860,358
Total noncurrent assets	<u>6,926,114</u>	<u>5,885,708</u>
Total assets	<u>9,396,674</u>	<u>\$ 8,306,951</u>
LIABILITIES		
Accounts payable	\$ 32,648	\$ 8,885
Due to affiliate	283,473	250,630
Unearned revenue	2,038,052	1,787,518
Total liabilities	<u>2,354,173</u>	<u>2,047,033</u>
NET POSITION		
Restricted	205,713	220,810
Unrestricted	6,836,788	6,039,108
Total net position	<u>7,042,501</u>	<u>6,259,918</u>
Total liabilities and net position	<u>\$ 9,396,674</u>	<u>\$ 8,306,951</u>

See accompanying notes to financial statements.

**BUFFALO AND ERIE COUNTY INDUSTRIAL
LAND DEVELOPMENT CORPORATION
(A COMPONENT UNIT OF COUNTY OF ERIE, NEW YORK)
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31,**

	<u>2020</u>	<u>2019</u>
Operating revenues:		
Land development and other income	\$ 388,800	\$ 17,500
Interest from loans	725	538
Loan loss recoveries	-	18,750
Gain on land held for sale	-	33,791
Total operating revenues	<u>389,525</u>	<u>70,579</u>
Operating expenses:		
Transfer to Erie County Industrial Development Agency	477,095	61,470
General and administrative	188,403	176,446
Depreciation	975	325
Total operating expenses	<u>666,473</u>	<u>238,241</u>
Operating loss	(276,948)	(167,662)
Nonoperating revenues (expenses):		
Grant income	1,162,960	1,046,975
Grant expenses	(103,466)	(1,281,975)
Interest income	37	14
Total nonoperating revenues (expenses)	<u>1,059,531</u>	<u>(234,986)</u>
Change in net position	782,583	(402,648)
Net position - beginning of year	<u>6,259,918</u>	<u>6,662,566</u>
Net position - end of year	<u>\$ 7,042,501</u>	<u>\$ 6,259,918</u>

See accompanying notes to financial statements.

**BUFFALO AND ERIE COUNTY INDUSTRIAL
LAND DEVELOPMENT CORPORATION
(A COMPONENT UNIT OF COUNTY OF ERIE, NEW YORK)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,**

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Land development and other income	\$ 388,800	\$ 17,500
Transfers to Erie County Industrial Development Agency	(319,252)	(144,586)
Principal and interest received on loans	11,109	8,511
Loan disbursements	(9,718)	(25,281)
Loan loss recoveries	-	18,750
Payments to vendors and affiliates	(164,640)	(1,583,492)
Net cash used by operating activities	<u>(93,701)</u>	<u>(1,708,598)</u>
CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES		
Grant income	2,818,527	2,424,693
Grant expense	(103,466)	(1,281,975)
Acquisition of capital assets and land held for sale	155,638	(158,563)
Purchase of land held for sale	(1,039,808)	-
Sale of land held for sale	-	704,105
Net cash provided by capital and financing activities	<u>1,830,891</u>	<u>1,688,260</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest income	37	14
Net cash provided by capital and financing activities	<u>37</u>	<u>14</u>
Net increase (decrease) in cash	1,737,227	(20,324)
Cash - beginning of year	207,639	227,963
Cash - end of year	<u>\$ 1,944,866</u>	<u>\$ 207,639</u>
Reconciliation of operating loss to net cash used by operating activities:		
Operating loss	\$ (276,948)	\$ (167,662)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation	975	325
Gain on sale of land	-	(33,791)
(Increase) decrease in loans receivable	596	(17,268)
(Increase) decrease in interest receivable	70	(40)
(Increase) decrease in due from affiliate	125,000	(125,000)
Increase (decrease) in accounts payable	23,763	(1,407,046)
Increase (decrease) in due to affiliate	<u>32,843</u>	<u>41,884</u>
Net cash used by operating activities	<u>\$ (93,701)</u>	<u>\$ (1,708,598)</u>

See accompanying notes to financial statements.

**BUFFALO AND ERIE COUNTY INDUSTRIAL
LAND DEVELOPMENT CORPORATION
(A COMPONENT UNIT OF COUNTY OF ERIE, NEW YORK)
NOTES TO FINANCIAL STATEMENTS**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Buffalo and Erie County Industrial Land Development Corporation (the ILDC) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the ILDC's accounting policies are described below.

A. REPORTING ENTITY

The ILDC was incorporated for the purpose of participating in the acquisition and development of industrial sites and to provide financial assistance for the acquisition or renovation of fixed assets by industrial companies locating or expanding in the County of Erie, New York (the County). ILDC manages a microenterprise revolving loan program which is dedicated to improving economic conditions in the County.

ILDC has related party relationships with Erie County Industrial Development Agency (ECIDA) and Buffalo and Erie County Regional Development Corporation (RDC). All three entities are managed by the same personnel. These entities share the same mission, which is to provide resources that encourage investment, innovation and international trade, thereby creating a successful business climate that improves the quality of life for the residents of the region.

In accordance with accounting standards, ILDC is considered a component unit of the County. The County, acting by and through the County Executive, is the sole member of ILDC and is financially accountable for it; as a result, the ILDC is included in the financial statements of the County as a discretely presented component unit.

B. BASIS OF PRESENTATION

Revenues from administrative fees, land development income and interest on loans are reported as operating revenues. Capital grants and related expenses are reported as nonoperating income.

When both restricted and unrestricted resources are available for use, it is the ILDC's policy to use restricted resources first, then unrestricted resources as they are needed.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The ILDC is reported as a special-purpose government engaged in business-type activities. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services. The financial statements of the ILDC are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place.

Nonexchange transactions, in which the ILDC gives or receives value without directly receiving or giving equal value in exchange, include grants. Revenue from grants is recognized in the fiscal year in which all eligibility requirements have been satisfied.

D. INCOME TAXES

The ILDC is exempt from federal income tax under Internal Revenue Code Section 501(c)(3) and the income realized will not be subject to New York state corporate franchise tax. The ILDC does not believe that it has any uncertain tax positions and has not recorded any unrecognized tax benefits, liability, penalties or interest.

E. GRANTS AND UNEARNED REVENUE

Grants are recognized at the time awarded, with timing differences resulting from funds spent and earned. ECIDA receives special project grants from various Federal, State and County governments. Grants received but not expended are reported as unearned revenue.

**BUFFALO AND ERIE COUNTY INDUSTRIAL
LAND DEVELOPMENT CORPORATION
(A COMPONENT UNIT OF COUNTY OF ERIE, NEW YORK)
NOTES TO FINANCIAL STATEMENTS**

F. LOANS RECEIVABLE

Loans receivable are presented net of an allowance for uncollectible accounts. The ILDC maintains an allowance for estimated uncollectible accounts which is based on an analysis of the loan portfolio and reflects an amount that, in management's judgment, is adequate to provide for potential loan losses. Loans are written off when, in management's judgment, no legal recourse is available to collect the amount owed.

Interest on loans receivable is accrued as required by the terms of the agreement; management considers the probability of collection based on the current economic condition of the borrower. Accrual of interest ceases when management adjusts a loan reserve to 50% or more of the loan's outstanding balance.

G. TAX EXEMPT BOND TRANSACTIONS

The ILDC is an issuer of tax-exempt bond financing for not-for-profit entities. These bonds are obligations of the borrower. Since ILDC has no obligation to repay the principal and interest of such bonds, they are not reflected as liabilities in the accompanying financial statements. ILDC receives bond issuance fees from the borrower for providing this service. ILDC also has a shared services agreement with ECIDA under which administrative and staffing services are provided to ILDC in connection with bond issuances in exchange for the related bond issuance fees received by ILDC. Bond issuance fees are recognized immediately upon issuance of the related bond. The original value of tax-exempt bonds issued by ILDC was \$34,370,000 as of December 31, 2020 (\$0 – 2019).

H. NET POSITION

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

- a. Restricted - Consists of net positions with constraints 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. Restrictions include amounts maintained in the Erie County Business Development Fund (Erie County BDF).
- b. Unrestricted - All other net positions that do not meet the definition of "restricted".

I. STATEMENTS OF CASH FLOWS

For the purposes of the statements of cash flows, the ILDC considers all cash to be unrestricted including demand accounts and certificates of deposit with an original maturity of generally three months or less.

J. USE OF ESTIMATES IN PREPARATION OF FINANCIAL STATEMENTS

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. This affects the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates.

K. ACCOUNTING PRONOUNCEMENTS

On May 8, 2020, the GASB issued Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance* in response to the COVID-19 pandemic. The effective dates of GASB Statements not yet implemented by the ILDC have been updated below to reflect the impact of this Statement. There were no new GASB Statements implemented by the ILDC for the year ended December 31, 2020.

The following are GASB Statements that have been issued recently and are currently being evaluated, by the ILDC, for their potential impact in future years.

**BUFFALO AND ERIE COUNTY INDUSTRIAL
LAND DEVELOPMENT CORPORATION
(A COMPONENT UNIT OF COUNTY OF ERIE, NEW YORK)
NOTES TO FINANCIAL STATEMENTS**

- Statement No. 87, *Leases*, which will be effective for the year ending December 31, 2022.
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, which will be effective for the year ending December 31, 2021.
- Statement No. 91, *Conduit Debt Obligations*, which will be effective for the year ending December 31, 2022.
- Statement No. 92, *Omnibus 2020*, which will be effective for the year ending December 31, 2022.
- Statement No. 93, *Replacement of Interbank Offered Rates*, which will be effective for the year ending December 31, 2021, except for paragraph 11b, which will be effective for the year ending December 31, 2022.
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, which will be effective for the year ending December 31, 2023.
- Statement No. 96, *Subscription-Based Information Technology Arrangements*, which will be effective for the year ending December 31, 2023.
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and 84, and a supersession of GASB Statement No. 32*, which will be effective for the year ending December 31, 2022.

NOTE 2. DETAIL NOTES ON TRANSACTION CLASSES/ACCOUNTS

A. ASSETS

1. CASH AND INVESTMENTS

The ILDC's investment policies are governed by State statutes. In addition, the ILDC has its own written investment policy. ILDC monies must be deposited in FDIC-insured commercial banks or trust companies located within the State. The ILDC's Chief Financial Officer is authorized to use interest bearing demand accounts and certificates of deposit. Permissible investments include obligations of the U.S. Treasury and U.S. agencies, repurchase agreements and obligations of the State of New York and its localities.

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

As of December 31, 2020 and 2019, the ILDC's aggregate bank deposits were considered fully collateralized.

Investment and Deposit Policy

The ILDC follows an investment and deposit policy, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conformance with federal, state and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of the Chief Financial Officer of the ILDC.

Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. The ILDC's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The ILDC's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. The ILDC's investment and deposit policy authorizes the reporting entity to purchase the following types of investments:

- Interest bearing demand accounts.
- Certificates of deposit.
- Obligations of the United States Treasury and United States agencies.
- Obligations of New York State and its localities.

**BUFFALO AND ERIE COUNTY INDUSTRIAL
LAND DEVELOPMENT CORPORATION
(A COMPONENT UNIT OF COUNTY OF ERIE, NEW YORK)
NOTES TO FINANCIAL STATEMENTS**

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with the ILDC's investment and deposit policy, all deposits of the ILDC including interest bearing demand accounts and certificates of deposit, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act (FDIC) shall be secured by a pledge of securities with an aggregate value equal to 100% of the aggregate amount of deposits. The ILDC restricts the securities to the following eligible items:

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and United States agencies.
- Obligations issued or fully insured or guaranteed by New York State and its localities.

2. LOANS RECEIVABLE

The microenterprise revolving loan program was originally funded through a Community Development Block Grant (CDBG). Loans receivable maintained in the Erie County Business Development Fund (BDF) are restricted pursuant to the original grant terms.

Loans are made to local business from the Erie County BDF to complement private financing at an interest rate of 2% with varying repayment terms. All loans are classified as commercial loans.

During 2019, the ILDC provided a \$750,000 forgivable loan to a borrower. The full balance of the loan will be forgiven in installments of \$150,000 from 2024 through 2029 as long as the borrower meets certain job creation and retention requirements as set forth in the agreement. The full \$750,000 forgivable loan was included with special project grant expense for the year ended December 31, 2019. The full balance of the loan forgiven is included in loans receivable and fully recognized in the allowance for forgivable loan. The following is a summary of the loans receivable:

	<u>2020</u>	<u>2019</u>
Total loans receivable	\$ 785,966	\$ 786,562
Less: allowance for forgivable loan	<u>750,000</u>	<u>750,000</u>
Loans receivable, net	35,966	36,562
Less: current maturities	<u>11,643</u>	<u>13,812</u>
Loans receivable - long-term	<u>\$ 24,323</u>	<u>\$ 22,750</u>

**BUFFALO AND ERIE COUNTY INDUSTRIAL
LAND DEVELOPMENT CORPORATION
(A COMPONENT UNIT OF COUNTY OF ERIE, NEW YORK)
NOTES TO FINANCIAL STATEMENTS**

At December 31, 2020, the Erie County BDF loan portfolio consisted of 2 loans that both bear an interest at rate of 2% with varying payment terms.

Scheduled maturities of principal for these loans for the next five years are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 11,643	\$ 607
2022	7,552	412
2023	7,091	271
2024	7,234	128
2025	2,446	10
Total	<u>\$ 35,966</u>	<u>\$ 1,428</u>

NOTE 3. GRANTS AND LAND HELD FOR SALE

In February 2017 the ILDC entered into a funding agreement with the ECIDA to accept \$6,700,000 in the form of a partially refundable grant from ECIDA's U.S. Department of Housing and Urban Development Urban Development Action Grant (UDAG) reflow fund in connection with a Brownfield reclamation and redevelopment project at the former Bethlehem Steel site in Lackawanna, New York. \$5,700,000 of the grant was earmarked for the purchase of real property, with the remaining \$1,000,000 to be used for carrying costs during and after property acquisition. Additional funding of up to \$700,000 for property acquisition was granted from ECIDA's UDAG reflow fund in September 2017. As of December 31, 2020, \$6,338,416 of the \$6,400,000 total granted for the purchase of real property and \$706,126 of the \$1,000,000 granted for carrying costs was utilized.

In connection with the land purchase, ILDC authorized the execution of a \$2,780,000 grant from Empire State Development (ESD). Proceeds from this grant will be used to reimburse ECIDA. ILDC also resolved to remit to ECIDA 50% of the net proceeds received upon the future sale of portions of the Bethlehem Steel site acquired using ECIDA grant funds, in an amount not to exceed \$6,700,000. As of December 31, 2020, \$3,155,000 in reimbursements have been made to ECIDA.

In connection with Phase II of the former Bethlehem Steel Site redevelopment, ILDC authorized the execution of a \$1,755,000 grant from ESD as Phase 1 of a capital grant under the Buffalo Billion II initiative. Proceeds from this grant will be used to acquire additional vacant Brownfield property on the Site, purchase a right-of-way along the eastern edge of the property, and planning for the Lackawanna-Woodlawn State Park Shoreline trail. As of December 31, 2020, the full \$1,755,000 of this grant was received.

In December 2018 the ILDC entered into a funding agreement with the ECIDA to accept \$1,200,000 in the form of a partially refundable grant from ECIDA's UDAG reflow fund in connection with a redevelopment project at the former Angola Airport site in Angola, New York. \$900,000 of the grant was designated for the purchase of real property, with the remaining \$300,000 to be used for carrying costs during and after property acquisition. As of December 31, 2020, \$855,084 of the \$900,000 granted for the purchase of real property and \$19,409 of the \$300,000 granted for carrying costs was utilized.

**BUFFALO AND ERIE COUNTY INDUSTRIAL
LAND DEVELOPMENT CORPORATION
(A COMPONENT UNIT OF COUNTY OF ERIE, NEW YORK)
NOTES TO FINANCIAL STATEMENTS**

The following is a summary of grants receivable at December 31:

	<u>2020</u>	<u>2019</u>
Bethlehem Steel Master Plan/GEIS - EDA	\$ 160,051	\$ 164,084
Bethlehem Steel Acquisition Phase II-ESD	-	1,755,000
WNY Agribusiness Park Planning-National Grid	<u>354,000</u>	-
Total	<u>\$ 514,051</u>	<u>\$ 1,919,084</u>

Land held for sale is recorded at net realizable value based on assessment of the fair value of each project. The net realizable value as of December 31, 2020 and 2019 amounted to \$6,900,166 and \$5,860,358, respectively.

NOTE 4. DEPOSIT ON LAND PURCHASE

In April 2019, the ILDC entered into agreements to purchase property at the former Angola Airport site. The total deposit on the land purchases was \$155,638. Of that amount, \$155,000 is related to the earnest money deposit and the remaining \$638 is related to consulting expenses incurred in conjunction with the purchase. In 2020, the ILDC completed the purchase of the land at a total cost of \$1,010,507.

NOTE 5. RELATED PARTY TRANSACTIONS

ECIDA allocates a portion of its personnel and overhead costs to ILDC which amounted to \$95,045 as of December 31, 2020 (\$61,470 – 2019). The amount outstanding to ECIDA at December 31, 2020 related to these costs amounted to \$95,045 (\$61,470 – 2019). ILDC owed ECIDA for reimbursable costs of \$286 as of December 31, 2020 (\$1,017 – 2019). Amounts Due to ECIDA totaled \$283,473 as of December 31, 2020 (\$250,630 – 2019)

ILDC has a shared services agreement with ECIDA under which administrative and staffing services are provided to ILDC in connection with bond issuances in exchange for the administrative fees received by ILDC related to these bond transactions. ILDC transferred \$382,050 in administrative fees to ECIDA in 2020 (\$0 – 2019)..

NOTE 6. CONTINGENCIES

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. Management has discussed the ILDC's operations and the impact of this event. They have determined that this event will likely not have a significant impact on the assets or operations of the ILDC.

NOTE 7. SUBSEQUENT EVENT

Management has evaluated subsequent events through XXXXXX, 2021, which is the date the financial statements are available for issuance and have determined there are no subsequent events that require disclosure under generally accepted accounting principles.

DRAFT

SUPPLEMENTARY INFORMATION

**BUFFALO AND ERIE COUNTY INDUSTRIAL
LAND DEVELOPMENT CORPORATION
(A COMPONENT UNIT OF COUNTY OF ERIE, NEW YORK)
COMBINING STATEMENT OF NET POSITION
DECEMBER 31, 2020**

	<u>Operating</u>	<u>Erie County BDF Program</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash	\$ 1,762,554	\$ 182,312	\$ 1,944,866
Grants receivable	514,051	-	514,051
Loans receivable, short-term	-	11,643	11,643
Total current assets	<u>2,276,605</u>	<u>193,955</u>	<u>2,470,560</u>
Noncurrent assets:			
Loans receivable, net	-	24,323	24,323
Capital assets, net	1,625	-	1,625
Land held for sale	6,900,166	-	6,900,166
Total noncurrent assets	<u>6,901,791</u>	<u>24,323</u>	<u>6,926,114</u>
Total assets	<u>\$ 9,178,396</u>	<u>\$ 218,278</u>	<u>\$ 9,396,674</u>
LIABILITIES			
Accounts payable	\$ 32,409	\$ 239	\$ 32,648
Due to affiliate	271,147	12,326	283,473
Unearned revenue	2,038,052	-	2,038,052
Total liabilities	<u>2,341,608</u>	<u>12,565</u>	<u>2,354,173</u>
NET POSITION			
Restricted	-	205,713	205,713
Unrestricted	6,836,788	-	6,836,788
Total net position	<u>6,836,788</u>	<u>205,713</u>	<u>7,042,501</u>
Total liabilities and net position	<u>\$ 9,178,396</u>	<u>\$ 218,278</u>	<u>\$ 9,396,674</u>

**BUFFALO AND ERIE COUNTY INDUSTRIAL
LAND DEVELOPMENT CORPORATION
(A COMPONENT UNIT OF COUNTY OF ERIE, NEW YORK)
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Operating</u>	<u>Erie County BDF Program</u>	<u>Total</u>
Operating revenues:			
Land development and other income	\$ 388,800	\$ -	\$ 388,800
Interest from loans	-	725	725
Total operating revenues	<u>388,800</u>	<u>725</u>	<u>389,525</u>
Operating expenses:			
Transfer to Erie County Industrial Development Agency	464,769	12,326	477,095
General and administrative	184,903	3,500	188,403
Depreciation	975	-	975
Total operating expenses	<u>650,647</u>	<u>15,826</u>	<u>666,473</u>
Operating loss	(261,847)	(15,101)	(276,948)
Nonoperating revenues (expenses):			
Grant income	1,162,960	-	1,162,960
Grant expenses	(103,466)	-	(103,466)
Interest income	33	4	37
Total nonoperating revenues (expenses)	<u>1,059,527</u>	<u>4</u>	<u>1,059,531</u>
Change in net position	797,680	(15,097)	782,583
Net position - beginning of year	<u>6,039,108</u>	<u>220,810</u>	<u>6,259,918</u>
Net position - end of year	<u>\$ 6,836,788</u>	<u>\$ 205,713</u>	<u>\$ 7,042,501</u>

DRAFT

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
BUFFALO & ERIE COUNTY REGIONAL DEVELOPMENT CORP
BUFFALO & ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORP**

2020 ANNUAL REPORT
(For purposes of Section 2800(2) of the Public Authorities Law)

Description of the Agency:

The Erie County Industrial Development Agency (ECIDA) is a public benefit corporation that provides tax incentives, financing programs, export assistance, land development and other economic development services to the City of Buffalo and Erie County, New York.

The ECIDA has two other affiliated not-for-profit organizations as follows:

- 1) **Buffalo and Erie County Regional Development Corporation (“RDC”)**. This is a lending corporation created to administer a revolving loan fund capitalized by an Economic Development Administration grant with matching funds from the City of Buffalo and Erie County.
- 2) **Buffalo and Erie County Industrial Land Development Corporation (“ILDC”)**. The ILDC was restructured in 2009 to allow it to issue tax-exempt interest debt on behalf of Erie County to assist local not-for-profit organizations finance development projects at a lower cost. On behalf of Erie County, the ILDC also administers the Erie County Business Development Fund, a micro-loan program funded from HUD Community Development Block Grant sources.

These corporations are related since they are managed by the same personnel. The ECIDA and RDC share the same Board of Directors as their oversight body. The ILDC board is comprised of five members, three of whom are ECIDA Board members. None of these corporations is owned by another corporation.

Purpose of the Annual Report:

As an industrial development agency, the ECIDA and its affiliates are required to comply with New York State’s Public Authorities Law. Under this Law, the ECIDA and its affiliates are required to submit a comprehensive annual report that includes information on:

1. Operations and accomplishments
2. Financial Reports
3. Mission Statement & Measurements
4. Bonds and notes outstanding
5. Compensation (for those earning \$100,000 +)
6. Projects undertaken during the year
7. Property Report
8. Code of Ethics
9. An assessment of internal control structure and effectiveness
10. Legislation that forms the statutory basis of the authority
11. Board structure
12. By-Laws
13. Listing of material changes in operations and programs
14. Four-year Financial Plan
15. Board Performance Evaluations

16. Assets/Services bought or sold without competitive bidding
17. Description of material pending litigation

In compliance with the Public Authorities Law, the following required information is presented for the fiscal year ended December 31, 2020.

1. Operations & Accomplishments:

A report on the 2020 operations and accomplishments of the ECIDA and its affiliates is posted on the ECIDA's website at <http://www.ecidany.com/about-us-corporate-reports>.

2. Financial Reports:

i) Audited Financial Statements:

The audited financial statements for the ECIDA and its affiliates are posted on the ECIDA's website at <http://www.ecidany.com/about-us-corporate-reports> while the financial statement certification is included on page 9.

The financial statements are audited on an annual basis by independent auditors, Freed Maxick CPAs, P.C. In their opinion, the financial statements present fairly, in all material respects, the financial position of the ECIDA and its affiliates as of December 31, 2020, and the changes in net assets and its cash flows for the years then ended in conformity with accounting principals generally accepted in the United States of America.

ii) Grants & Subsidy Programs:

The ECIDA and its affiliates are recipients of various pass-through Federal, State and local grant programs that are utilized for land development, loan, and other economic development programs. Details of the various grants are outlined in the notes to the audited financial statements.

In accomplishing its mission, the ECIDA does not receive any operational funding or subsidies from Federal, State, County or local sources. Instead, the ECIDA relies primarily upon administrative fees charged to those businesses that utilize its products and services.

iii) Operating & Financial Risks:

The following outline some of the operating and financial risks that impact the ECIDA and its affiliates:

- New York State Legislation – The New York State Legislature can impose various restrictions on the ability of Industrial Development Agencies to provide tax incentives which could significantly impact the revenue of the ECIDA.
- Collectability of loans receivable – The RDC and ILDC operate various revolving loan programs and as such their financial results are impacted by the collectability of the related loans.

- Litigation – To provide various tax incentives or grants, the ECIDA takes a leasehold or ownership interest in various properties and is often brought into various lawsuits that could impact the ECIDA’s financial results.
- Regulations – The ECIDA, RDC and ILDC are subject to various regulations including those imposed by the NYS Authorities Budget Office and the Federal Economic Development Administration. These regulations may increase the cost of compliance or impact the financial position of the Agency.
- Local economic conditions – Since the ECIDA relies upon fees generated from various projects that it assists, a reduction in the number and/or size of those projects would significantly impact the Agency’s revenues.

The ECIDA mitigates a portion of the above risks through prudent financial management, external legal guidance and comprehensive insurance coverage.

iv) Current bond ratings:

The ECIDA and ILDC act as conduits for tax-exempt bond financings by various not-for-profit and other eligible borrowers. As a conduit bond issuer, the ECIDA and ILDC do not issue bonds on their own behalf and therefore are not rated by municipal bond rating agencies.

v) Long-term liabilities including leases and employee benefit plans:

The ECIDA has long-term liabilities that are recorded on its financial statements related to its participation as a conduit under certain New York State loan programs as outlined in the notes to the ECIDA audited financial statements. The ECIDA does not have any long-term liabilities under employee benefit plans as ECIDA employees are not covered by any defined benefit pension plans or provided with any post-retirement benefits.

The ECIDA has a lease for its office space and three minor long-term leases for office equipment. All are recorded as operating leases in the audited financial statements.

3. Mission Statement & Performance Measurements:

The ECIDA’s Mission Statement & Measurements Report for 2020 is included in Attachment 1. This document will be reviewed and approved by the Board at the March 24, 2021 Board meeting.

4. Schedule of Bonds and Notes Outstanding:

Attachment 2 summarizes the ECIDA’s and ILDC’s bonds and notes outstanding at December 31, 2020. The indebtedness shown on these schedules is conduit debt and is **not** an obligation of the ECIDA, ILDC, Erie County or New York State. Neither the ECIDA nor the ILDC records the assets or liabilities resulting from completed bond and note issues in their accounts since their primary function is to facilitate the financing between the borrowing companies and the bond and note holders.

5. Compensation Schedule:

See Attachment 3 for a list of ECIDA employees who had a salary exceeding \$100,000 during 2020. Attachment 3A is a summary of benefits provided to those staff as per the New York State Public Authorities Reporting Information System (PARIS). Biographies for these individuals are posted on the ECIDA website at <http://www.ecidany.com/staff-directory>. Salaries and benefit information for other ECIDA staff are also reported under the PARIS system.

None of the directors of the ECIDA or its affiliates receive any compensation for their services as directors. None of the officers of the ECIDA or its affiliates receive any compensation for their services as officers beyond their compensation as employees. None of the ECIDA affiliates had any employees during 2020.

6. Projects Undertaken by the Corporation during 2020:

Attachment 4 details the tax-exempt bonds and tax abatements that were approved during 2020. Attachment 4A details the loans that were funded in 2020.

7. Listing of Certain Property of the Corporation:

Attachment 5 provides information regarding the real property holdings of the ECIDA and its affiliates. This listing excludes the hundreds of properties in which the ECIDA has technical title in order to convey certain tax or other benefits. The properties presented are those where the ECIDA and its affiliates have “real” beneficial ownership.

8. Code of Ethics:

The Corporation’s Code of Ethics is posted on the ECIDA’s website at <http://www.ecidany.com/about-us-corporate-policies>.

9. Assessment of the Effectiveness of Internal Control Structure and Procedures:

Management’s Assessment of the Effectiveness of Internal Controls of the ECIDA, RDC and ILDC is posted on the ECIDA’s website at <https://www.ecidany.com/about-us-corporate-reports>.

The ECIDA, RDC and ILDC’s independent auditors have conducted an audit of the internal control over financial reporting and their report is included in the audited financial statements posted on the ECIDA’s website at <https://www.ecidany.com/about-us-corporate-reports>.

10. Legislation that forms the Statutory Basis of the Authority:

ECIDA

Industrial development agencies (“IDAs”) are formed under Article 18-A of New York State General Municipal Law, as public benefit corporations. IDAs were created to

actively promote, encourage, attract and develop job and recreational opportunities and economically-sound commerce and industry in cities, towns, villages and counties throughout New York State (the “State”). IDAs are empowered to provide financial assistance to private entities through tax incentives in order to promote the economic welfare, prosperity and recreational opportunities for residents of a municipality (“Benefited Municipality”).

Section 891a of the General Municipal Law outlines the composition of the Erie County IDA membership and additional powers granted to the ECIDA. A copy of this specific legislation can be found at the following address:

[http://public.leginfo.state.ny.us/LAWSSEAF.cgi?QUERYTYPE=LAWS+&QUERYDATA=\\$\\$GMU891-A\\$\\$@TXGMU0891-A+&LIST=LAW+&BROWSER=EXPLORER+&TOKEN=35134270+&TARGET=VIEW](http://public.leginfo.state.ny.us/LAWSSEAF.cgi?QUERYTYPE=LAWS+&QUERYDATA=$$GMU891-A$$@TXGMU0891-A+&LIST=LAW+&BROWSER=EXPLORER+&TOKEN=35134270+&TARGET=VIEW)

RDC & ILDC

The RDC & ILDC are local development corporations which are formed and empowered to conduct certain projects pursuant to Not-For-Profit Corporation Law §1411. Distinguished from IDAs (which exist as public benefit corporations), LDCs are established as charitable corporations that are empowered to construct, acquire, rehabilitate and improve for use by others, industrial or manufacturing plants in the territory in which its operations are principally to be conducted (“Benefited Territory”) and to make loans. LDCs can provide financial assistance for the construction, acquisition, rehabilitation, improvement, and maintenance of facilities for others in its Benefited Territory. Specific LDC powers include the ability to: (i) disseminate information and furnish advice, technical assistance and liaison services to Federal, State and local authorities; (ii) to acquire by purchase, lease, gift, bequest, devise or otherwise, real or personal property; and (iii) to borrow money and to issue negotiable bonds, notes and other obligations. LDCs are empowered to sell, lease, mortgage or otherwise dispose of or encumber facilities or any real or personal property or any interest therein.

A copy of this specific legislation can be found at the following address:

[http://public.leginfo.state.ny.us/LAWSSEAF.cgi?QUERYTYPE=LAWS+&QUERYDATA=\\$\\$NPC1411\\$\\$@TXNPC01411+&LIST=LAW+&BROWSER=EXPLORER+&TOKEN=35134270+&TARGET=VIEW](http://public.leginfo.state.ny.us/LAWSSEAF.cgi?QUERYTYPE=LAWS+&QUERYDATA=$$NPC1411$$@TXNPC01411+&LIST=LAW+&BROWSER=EXPLORER+&TOKEN=35134270+&TARGET=VIEW)

11. Description of the Authority and its Board Structure:

i) Names of Committees and Committee Members:

The ECIDA and its affiliates operate several committees as outlined on the ECIDA website at <http://www.ecidanyc.com/about-us-board-committees>. Attachment 6 outlines the committee members.

ii) Lists of Board Meetings & Attendance:

A list of the various Board meetings and Board attendance is outlined on Attachment 7.

iii) Description of major authority units, subsidiaries:

The ECIDA and its affiliates do not have any subsidiaries.

iv) Number of Employees:

The ECIDA had 18 full-time employees in 2020.

v) Organizational Chart:

The ECIDA's organizational chart is posted on the ECIDA's website at: https://www.ecidany.com/documents/Press_Room/Organizational%20Chart%20-%20as%20of%20June%202019.pdf

12. Bylaws:

The Bylaws for the ECIDA and its affiliates are posted on the ECIDA's website at <http://www.ecidany.com/about-us-corporate-policies>.

13. Listing of Material Changes in Operations and Programs:

ECIDA continued redevelopment work at the former Bethlehem Steel site in Lackawanna, NY. A grant was awarded in late 2020 to support the design, engineering, and construction administration of water and sewer utility extensions and upgrade. The ILDC approved the final Infrastructure/Utility Master Plan and Generic Environmental Impact Statement related to the site. ILDC also continued negotiations on Phase II of land acquisition at the site.

The ILDC acquired 236 acres of property at the former Angola Airport site in Evans, NY for the purpose of redeveloping the property into an Agri-Business Park in support of Erie County's strategic plan. ILDC was awarded a grant to assist with the planning of the Agri-Business Park.

There were also new programs/initiatives in response to the COVID-19 pandemic during the year:

- ECIDA established a grant program to assist businesses negatively impacted by the pandemic. These grants reimburse small businesses and not-for-profit entities for the cost of acquiring personal protective equipment and/or installing fixtures to help prevent the spread of COVID-19. The ECIDA Board allocated \$500,000 of agency general funds this program in 2020.
- ECIDA was awarded up to \$5 million by the Economic Development Administration under the federal CARES Act, which was sub-granted to RDC to establish a new revolving loan fund (RLF). The purpose of this loan fund is to alleviate sudden and severe economic dislocation caused by the COVID-19 pandemic, support economic resiliency, and further the long-term economic adjustment objectives of Erie County.

No new policies were approved in 2020.

14. Four-Year Financial Plan:

A copy of the four-year financial plan is posted on the ECIDA's website at <https://www.ecidany.com/about-us-corporate-reports>.

15. Board Performance Evaluations:

The ECIDA Board of Directors conducted a Board Performance Evaluation in 2020 and forwarded the results to the Authority Budget Office. The surveys are not subject to disclosure under Article six of the Public Officers Law.

16. Assets/Services bought or sold without competitive bidding:

Attachments 8, 8A, and 8B are Procurement Reports that are filed under PARIS for the ECIDA, RDC, and ILDC respectively. These reports outline the assets and services purchased through competitive and non-competitive bidding for all procurements in excess of \$5,000.

17. Description of material pending litigation:

The audited financial statements for the ECIDA, RDC, and ILDC outline any material pending litigation. The audited financial statements are posted on the ECIDA's website at <http://www.ecidany.com/about-us-corporate-reports>.

Certification Pursuant to Section 2800(3) of the Public Authorities Law

Pursuant to Section 2800 (3) of the Public Authorities Law, each of the undersigned officers of Erie County Industrial Development Agency, Buffalo and Erie County Regional Development Corporation, and the Buffalo and Erie County Industrial Land Development Corporation does hereby certify with respect to the annual financial report of the Corporation (the "Annual Financial Report") posted on the ECIDA's website at <http://www.ecidany.com/about-us-corporate-reports> that based on the officer's knowledge:

1. The information provided in the Annual Financial Report is accurate, correct and does not contain any untrue statement of material fact;
2. Does not omit any material fact which, if omitted, would cause the financial statements contained in the Annual Financial Report to be misleading in light of the circumstances under which such statements are made; and
3. Fairly presents in all material respects the financial condition and results of operations of the Corporation as of, and for, the periods presented in such financial statements.

John Cappellino
President & CEO

Mollie Profic
CFO

**Erie County Industrial Development Agency (ECIDA)
Buffalo & Erie County Industrial Land Development Corp. (ILDC)
Buffalo & Erie County Regional Development Corporation (RDC)**

2020 Mission Statement and Performance Measurements

Approval Date: March 25, 2020

Purpose:

The Public Authorities Law requires public authorities to develop and adopt a mission statement and to develop performance measures to assist them in determining how well they are carrying out their mission. The Authorities Budget Office (ABO) requires that all public authorities utilize the following format to annually review their mission statement and performance measures and publish a measurement report. This report is designed to satisfy these requirements.

Please note: The ECIDA's official annual report, which outlines detailed project information and accomplishments is called "Year in Review" and is posted on the ECIDA's website at <https://www.ecidany.com> under "About Us" then "Annual Reports".

Mission Statement:

The mission of the Erie County IDA and its affiliates is to provide the resources that encourage investment, innovation, workforce development and international trade resulting in a successful business climate focused on growth, economic stability, job creation and retention for businesses and individuals which improves the quality of life for the residents of the region.

Performance Goals, Measures & Results:

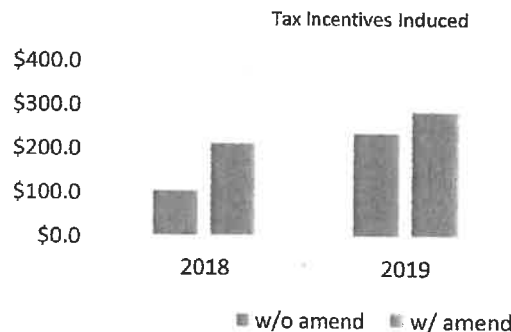
Goal 1: To promote private investment and innovation:

Objective 1A: ECIDA: Encourage private sector investment by providing incentives and other economic development services to spur eligible development projects.

Measurement: Value of new private investments from tax incentives.

Metric*: \$250 - \$275 M in private investment from approved tax incentives.

2020 Results: The ECIDA approved 13 projects in 2020 (including 2 amendatory projects). The new private sector investment totaled \$265.5 M, rising to \$328.5 M when including amendatory projects.

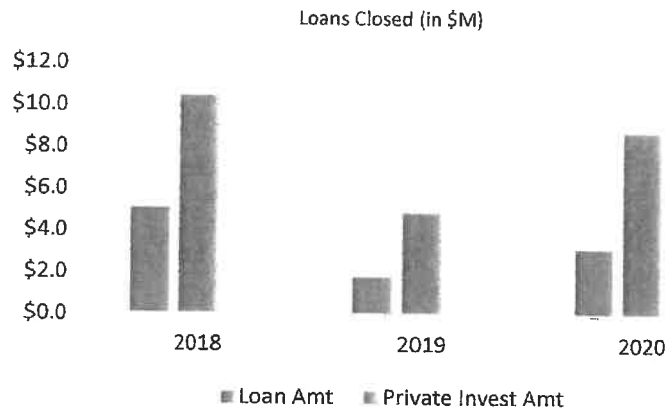


Objective 1B: RDC: Provide “gap financing” to spur the creation of new businesses and private-sector investment in working capital, machinery and equipment.

Measurement: Number of loans, \$ amount of loans and amount of private investment for loans approved.

Metric: \$3 M in new business loans with the private investment amount of \$6 M for a total of 6 loans approved.

2020 Results: In 2020, the RDC closed 7 loans totaling \$3.2 M leveraging \$8.8 M in private investment. Of the 7 loans approved, 2 were from our COVID disaster loan fund - a sub-portfolio of the RDC Revolving Loan Fund, and 2 were from the IMPACT loan fund – a new Revolving Loan Fund in 2020 funded through the CARES ACT. No Innovation loans were approved in 2020.



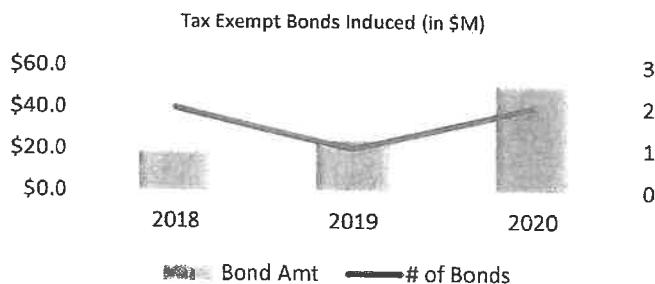
The ECIDA provides administrative support for the Erie County Microenterprise Loan program funded by Community Development Block Grant funds. This program fosters economic development by providing financing to micro businesses within the Erie County Consortium Communities whose owners have low to moderate household incomes. In 2020 ECIDA staff reviewed 11 loan applications, resulting in the approval of 4 microenterprise loans totaling \$140,000.

Objective 1C: ECIDA & ILDC: Assist non-profit and other eligible borrowers to obtain low-interest, tax-exempt bond financing.

Measurement: Value of private investments from low-interest financing provided to non-profit organizations.

Metric*: 1 tax exempt bond totaling \$25 - \$35 M

2020 Results: Two tax-exempt bonds approved with private investment totaling \$50.2M: Related Affordable/Elmwood Sq \$15.8M & D'Youville \$34.4M (D'Youville bond included an additional taxable amount = \$13.8 M that is not included in the 2020 results for this objective)

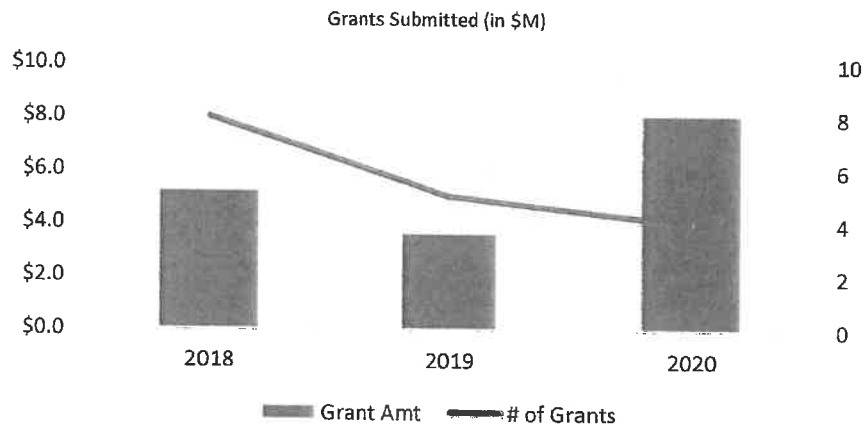


Objective 1D: ECIDA & ILDC: Pursue state, federal and private funding opportunities to support priority projects and leverage private investment.

Measurement: Number and \$ amount of grant applications submitted.

Metric: Five grants submitted for a total of \$3.2 - \$3.7 M

2020 Results: A total of 4 grants totaling \$8.166 M were submitted in 2020. Two grants totaling \$8.096 M were submitted on behalf of the ECIDA & ILDC, the remaining 2 grants totaling nearly \$ 70,000 were submitted on behalf of BUDC and the Village of North Collins. As of Jan '21, \$8.12 M (99% of grants submitted) were awarded.



Other grant activity in 2020 based upon NYS Senate Bill S8181A allowing IDAs to establish a grant program to assist businesses negatively impacted by the COVID 19 crisis. These grants reimburse small businesses and not-for-profits for the cost of acquiring personal protective equipment or installing fixtures to prevent the spread of COVID-19. The ECIDA Board allocated \$500,000 to establish the "ECIDA COVID 19 Disaster Emergency Grant Fund" program that was developed then launched by ECIDA staff in the 3rd Q of 2020. This program awarded grants totaling \$372,219 to 57 qualified businesses located in distressed areas or MWBE or veteran-owned businesses within Erie County.

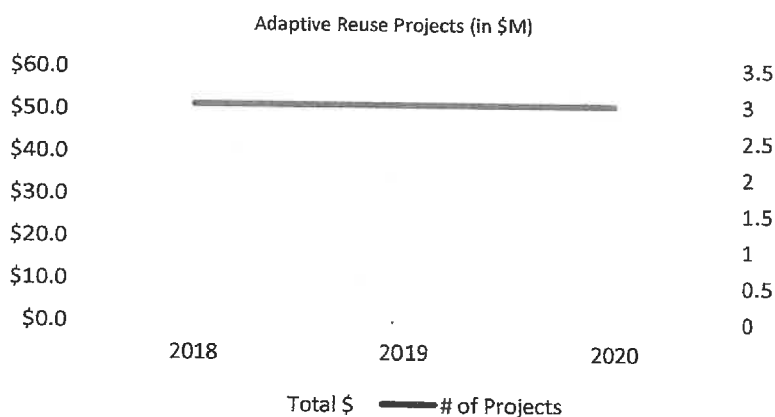
Goal 2: To support business formation, job growth, and economic expansion targeting economically challenged and disadvantaged communities:

Objective 2A: ECIDA & ILDC: Support the re-investment in vacant, abandoned and underutilized buildings.

Measurement: Number and investment value of adaptive re-use building projects.

Metric: Five to six projects approved totaling \$50M - \$60M in private investment.

2020 Results: In 2020, 3 adaptive reuse projects were approved totaling \$49.4 M in private investment.



Objective 2B: ECIDA & RDC: Support the creation and growth of small business and minority & women-owned businesses (MWBE).

Measurement: Number and \$ amount of MWBE business loans, MWBE business tax incentives and other MWBE support provided.

Metric: \$250,000 in loans and tax incentives to MWBE businesses. To encourage participation in these MWBE initiatives, an additional \$66,000 to provide direct support / assistance to MWBEs through sponsorships of community partner events (i.e. SBA, SCORE, WEDI) and funding of a technical assistance program (offered through a local CDFI or other partnership). Continue to provide other non-monetary forms of MWBE support (i.e. vendor selection, MWBE referrals to resources for certification, government contracting) that spur interest in and capacity for the \$250,000 in MWBE loans and tax incentives.

2020 Results: In 2020, the ECIDA provided minority and women owned enterprises with support totaling \$388,505 including:

- 1) RDC approved two MWBE loans totaling \$100,000
- 2) RDC staff presented 2 MWBE loans totaling \$70,000 to the County Microenterprise loan committee for approval,
- 3) Event sponsorships, programs and vendor selection in 2020 accounted for \$12,024 in support of MWBEs.
- 4) 31 MWBE Businesses were approved for COVID-19 Emergency Grants totaling \$206,481.

Objective 2C: ECIDA: Support the creation and retention of jobs at all salary levels.

Measurement: total # and average \$ of jobs to be retained & created overall and broken down for the following categories: management, professional, administrative, production, independent contractor and other.

Metric*: Average salary for retained and created jobs at \$40,000 - \$45,000.

2020 Results: In 2020 the average salary for the 2,173 jobs retained and created through ECIDA tax incentive projects was \$60,003. The total payroll amount = \$144.4 M. The following is a breakdown of average salaries by category:

Management \$ 135,012

Professional: \$ 104,718

Administrative: \$ 55,756

Production: \$ 54,286

Independent Contractor: \$ 74,292

Other: \$ 32,677

Objective 2D: ECIDA, RDC & ILDC: Reach out to Erie County businesses to inform them of ECIDA and other business support services available.

Measurement: Number of sales contacts.

Metric*: 425-450 sales contacts made*

2020 Results: A total of 445 sales contacts were made in 2020 – mostly via one-on-one phone conversations vs onsite client visits. The number of attendees at ECIDA staff presentations is estimated to be 680+: zoom-based presentations included events hosted by: local chambers, SBA, NYSEDC, Biz First Forums, EAP classes. Also approximately 250 inbound inquires were received related to new business loan programs put in place in response to COVID 19.

Objective 2E: ILDC: Support reinvestment in vacant and abandoned brownfield properties for the purpose of creating shovel-ready sites, new investment, and jobs.

Measurement: Number of acres of land redeveloped / in the process of redevelopment and public/private investment amounts.

Metric: 180 acres

2020 Results: Over 406 acres under management. 2020 highlights include continued redevelopment of 150 acres at the former Bethlehem Steel site, continued negotiations with land owner for the acquisition of an additional 90 acres. Acquired 250 acres of the former Angola Airport site for the development of an Agri-Business park.

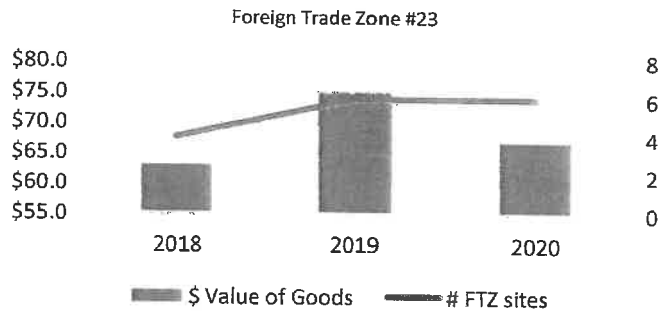
Goal 3: To encourage international trade:

Objective 3A: ECIDA: Promote & support the use of Erie County's foreign trade zone (FTZ) to assist businesses in remaining globally competitive by reducing, eliminating or deferring import duties.

Measurement: Value of goods moving through FTZ #23 and # of FTZ activated sites.

Metric: A total of 7 FTZ sites with goods valued at \$85M moving through the zone.

2020 Results: \$66.8 M in goods moved through the FTZ in 2019 (1 yr reporting lag). The number of FTZ sites remained at 6 with 18 businesses utilizing the zone. The reduction in FTZ activity was primarily due to the uncertainty of foreign tariffs on goods as U.S. Global Trade Policies were being renegotiated with various foreign countries, including revisions made to the USMCA trade agreement.



(note: due to FTZ reporting lag – the prior year's results will be listed)

Goal 4: To safeguard the public's investment by ensuring compliance and transparency with ECIDA Policies & Procedures, NYS Tax, EDA and ABO requirements:

Objective 4A: ECIDA: Client compliance with material terms including local labor, employment retention & creation, investment, pay equity and unpaid real property tax policies.

Measurement: Analysis of quarterly employment & local labor reports, review of investment verifications, completion of pay equity audits by Erie County office of EEO and real property tax payments through the Erie County Commissioner of Real Property Services.

Metric: 100% compliance

2020 Results: TBD

Objective 4B: ECIDA: Client compliance with the New York State Sales and Use Tax program

Measurement: Review of clients' ST-340 forms and the amount of the sales tax savings approved by the Board of Directors to ensure that the amount of the sales tax savings that clients report does not exceed the board approved amounts.

Metric: 100% client compliance

2020 Results: TBD

Objective 4C: RDC: Ensure proper controls and safeguards over the administration of the revolving loan fund (RLF).

Measurement: Obtain the highest rating from the U.S. Dept of Commerce: Economic Development Administration (EDA) on the quality / health of the RLF administered by the RDC.

Metric: "A" rating from the EDA

2020 Results: For the year ended December 31, 2019, a Level B risk rating was assigned as 38 of a possible 45 points were earned. Areas contributing to this risk rating were the portfolio's cumulative loan write-off ratio (greater than 25%) and the RLF cash available for lending (more than 110% of the allowable cash percentage). Three loans totaling \$1.6 million were paid off early, in the fourth quarter of 2019. This made it difficult to re-lend those funds prior to

December 31. As a result, semi-annual reporting is required. EDA has informed the Agency that certain risk metrics will be relaxed for the next two reporting years due to the COVID-19 pandemic. The Agency anticipates returning to a Level A risk rating as the available cash metric is estimated to be achieved based on over \$3 million in loans booked in 2020.

Objective 4D: ECIDA, RDC & ILDC: Compliance with ABO's deadlines and regulatory requirements.

Measurement: Timely and accurate filing of the annual PARIS reports, budget and financial audits.

Metric: 100% compliance

2020 Results: 100% compliance - ECIDA, RDC and ILDC files all required PARIS reports, financial audits and budgets within the prescribed timeframes in 2020.

Objective 4E: ECIDA, RDC & ILDC: Board Member compliance with ABO regulatory requirements.

Measurement: Board completion of the annual Board of Directors Self Evaluation, execution of the Acknowledgement of Fiduciary Duties & Responsibilities forms, and completion of the required ABO board member training.

Metric: 100% compliance

2020 Results: TBD

Governance Certification

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

Board of Directors response: Yes

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

Board of Directors response: The Board of Directors

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

Board of Directors response: The Board has not adopted a written policy. However, the Board follows prudent and reasonable practices to appoint responsible individuals.

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

Board of Directors response: The role of the Board regarding the implementation of the public authority's mission is to provide strategic guidance, oversight, mission authorization, policy setting and validation of the authority's mission, performance measurements and results. The role of management is to collaborate with the Board in strategy development and to implement established programs, processes, activities and policies to achieve the public authority's mission.

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

Board of Directors response: Yes

ECIDA Bonds

Attachment #2

Id	Trustee	ProjectName	Bond Amount	Year Start Balance 2020	Year End Balance 2020	Principal Paid 2020	Interest Rate	Bond/Loan Number	Bond Maturity
2516	Bank of New York Mellon	Our Lady of Victory Renaissance Corporation	\$11,860,000	\$ 8,325,000	\$ 7,925,000	\$ 310,000	0.053		4/1/32
2360	New York Housing Finance Agency	2009 Shoreline Apartments LLC	\$9,000,000	\$ 1,229,571	\$ 1,186,988	\$ 42,583	0.055	5003	11/30/41
2591	M&T Bank	Canisius High School	\$22,250,000	\$ 11,170,000	\$ 10,820,000	\$ 350,000	var	1012768	2/1/38
2491	M&T Bank	Hydro-Air Components, Inc.	\$9,800,000	\$ 3,535,000	\$ 3,065,000	\$ 470,000	Var.	1034103	4/1/26
860	M&T Bank	Canterbury Woods	\$58,610,000	\$ 275,000	\$ -	\$ 275,000	0.06	2374	2/1/28
10140	M&T Bank	Joint Schools Construction Board 2012A Refinancing	\$209,540,000	\$131,620,000	\$113,860,000	\$ 17,760,000	var.	G018	5/1/26
10194	M&T Bank	Joint Schools Construction Board 2013 Refund of 2009A Bonds	\$62,540,000	\$ 61,060,000	\$ 60,795,000	\$ 265,000	var	254	5/1/28
10134	M&T Bank	Joint Schools Construction Project - 2011 Bonds	\$277,875,000	\$ 174,245,000	\$ 156,040,000	\$ 18,205,000	var.	G005, G006	5/1/32
10291	M&T Bank	Joint Schools Construction Board (Refund of 2007A & 2008A bonds) - Series 2015A	\$236,975,000	\$ 190,415,000	\$ 179,055,000	\$ 11,360,000	var.	H378	2029
10342	M&T Bank	Joint Schools Construction Board-Series 2016A (Refund of 2009A Bonds)	\$133,580,000	\$ 132,175,000	\$ 123,985,000	\$ 8,190,000	2.17	11853-000	2031
1035	Huntington National Bank	Child & Family Services of Erie County	\$4,200,000	\$ 955,000	\$ 595,000	\$ 360,000	var.	ERIENYCHL002 ; 5082022935	6/1/22
1038	Huntington National Bank	People, Inc.	\$13,685,000	\$ 375,000	\$ 180,000	\$ 195,000	.0722; var	ERIENYPEOPLE; 5082023104	6/1/22
10216	U.S. Bank National Association	Medaille College 2013 Refund of ECIDA 2003 Bond	\$18,240,000				fixed	1036945, 1036947, 1036962	2/16/35
1062	M&T Bank	Niagara Maryland Development, LLC	\$2,500,000	\$ 790,000	\$ 610,000	\$ 180,000	var	295088FM5	6/1/23
10404	Zion Bancorp	Marina Vista	\$13,300,000	\$13,300,000	\$13,139,929	\$160,071	var	CPC70688017916	12/20/37
				\$ 729,469,571	\$ 671,256,917	\$ 58,122,654			

ILDC Bonds

Attachment #2

Id	Bank	ProjectName	Bond Amount	Year Start Balance 2020	Year End Balance 2020	Principal Paid 2020	Interest Rate	Loan Number	Bond Maturity
10018	Key Bank	134 High Street, LLC	\$24,050,000	\$20,144,509	\$19,773,181	\$371,329	1.9	2000 19408	2022
2736	M&T Bank	Buffalo State Foundation Corp.	\$44,285,000	\$38,920,000	\$0	\$38,920,000		1033116, 1033117, 1033115, 1033121, 1033114, 1033123, 1033120, 1033122	2041
10111	M&T Bank	Cantalician Center for Learning Series A	\$9,525,000	\$6,312,084	\$5,832,500	\$453,167	var.	1034105	2033
10338	M&T Bank	854 Ellicott Street, LLC	\$44,328,500	\$43,538,841	\$42,200,618	\$416,727	2.95	99-6641368-3	2051
10290	The Bank of New York Mellon	Orchard Park CCRC, Inc. a/k/a Fox Run	\$44,490,000	\$39,620,000	\$38,330,000	\$1,290,000	1-5%		2037
10296	M&T Bank	Canisius College of Buffalo, New York - Refund of 2004-2005 DASNY Bonds - Series 2015A	\$30,760,000	\$22,325,000	\$21,530,000	\$795,000	Libor rate: 1.3375	3233822	2033
10296	M&T Bank	Canisius College of Buffalo, New York - Refund of 2004-2005 DASNY Bonds - Series 2015B	\$16,195,000	\$16,195,000	\$16,195,000	\$0	Libor rate: 1.4075	3233830	2040
10316	Key Bank	Buffalo Academy of Science Charter School	\$3,250,000	\$1,574,614	\$1,574,614	\$395,362	3.08	9014559613- 000000001	4/30/23
2758	M&T Bank	Enterprise Charter School	\$7,345,000	\$6,485,000	\$6,355,000	\$130,000	7.5	1032851	2040
10371	M&T Bank	Tapestry Charter School	\$33,900,000	\$33,500,000	\$33,075,000	\$425,000		8/1/2052 (A) 6 & 8/1/2023 (B)	2052
10375	U.S. Bank	Charter School for Applied Technologies	\$22,995,000	\$21,290,000	\$20,335,000	\$955,000		220612000	2035
10278	The Bank of New York Mellon	Catholic Health System	\$93,800,000	\$85,190,000	\$81,320,000	\$3,870,000	5		2045
10398	M&T Bank	Medaille College 2018 Series Refunding of 2010 Bonds	\$9,350,000						2038
10399	Wilmington Trust	Global Concepts Charter School	\$6,185,000	\$ 5,975,000	\$ 5,755,000	\$ 220,000	4 & 5%	131876-000	10/1/37
				\$341,070,048	\$292,275,913	\$48,241,585			

Erie County Industrial Development Agency
 Compensation Schedule
 Year Ended: December 31, 2020

The following employees had a base salary greater than \$100,000 in 2020:

Name	Title	Salary	Performance Compensation *	Payroll Taxes**	Benefits	Total
Steven Weathers	President & CEO (resigned April 2020)	\$ 53,752	5,942	9,379	16,895	\$ 85,968
John Cappellino	President & CEO	\$ 169,732	6,176	10,926	43,927	\$ 230,761
Karen Fiala	Vice President & Manager, Tax Incentive Products	\$ 112,467	4,663	9,096	29,420	\$ 155,646
Mollie Profic	Vice President & CFO	\$ 103,889	4,065	8,394	35,750	\$ 152,098

* Paid under Board-approved "ECIDA Employee Compensation Program" and 2020 ECIDA Budget.

** Represents Employer's Share of FICA taxes (Social Security & Medicare) & NYS Unemployment Insurance taxes

Annual Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2020

Run Date: 03/09/2021
Status: UNSUBMITTED
Certified Date: N/A

Name	Title	Severance Package	Payment For Unused Leave	Club Memberships	Use of Corporate Credit Cards	Personal Loans	Auto	Transportation	Housing Allowance	Spousal / Life Insurance	Tuition Assistance	Multi-Year Employment	None of these benefits	Oth
Poloncarz, Mark	Board of Directors												X	
Pridgen, Darius	Board of Directors												X	
Roche, Sr. Denise	Board of Directors												X	
Schoelz, Kenneth	Board of Directors												X	
Specht, Charles	Board of Directors												X	
Vukelic, Paul	Board of Directors												X	
Wilson, Renee	Board of Directors												X	
Wingenter, Art	Board of Directors												X	

Staff

Name	Title	Severance Package	Payment For Unused Leave	Club Memberships	Use of Corporate Credit Cards	Personal Loans	Auto	Transportation	Housing Allowance	Spousal / Life Insurance	Tuition Assistance	Multi-Year Employment	None of these benefits	Oth
Cappellino, John	President & CEO											X		
Fiala, Karen	Vice President & Manager, Tax Incentive Products												X	
Profc, Mollie	Vice President & Chief Financial												X	

Annual Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2020

Run Date: 03/09/2021
Status: UNSUBMITTED
Certified Date: N/A

Name	Title	Severance Package	Payment For Unused Leave	Club Memberships	Use of Corporate Credit Cards	Personal Loans	Auto	Transportation	Housing Allowance	Spousal / Dependent Life Insurance	Tuition Assistance	Multi-Year Employment	None of these Or
Weathers, Steve	Officer												
	President & CEO		X										

**Erie County Industrial Development Agency
Buffalo & Erie County Industrial Land Development Corporation**

Projects Undertaken by the Corporation

Year Ended: December 31, 2020

<u>Company</u>	<u>Projected</u>	<u>Net Jobs</u>	<u>Lease Project</u>	<u>Tax-Exempt Bond</u>	<u>Date Approved</u>
	<u>Jobs - Year</u>	<u>Projected To Be Created</u>			
1 Thermo Fisher West	878	60	\$ 90,000,000		12/16/2020
2 Rosina Food Products*	140	40	58,000,000		12/16/2020
3 Jemal's Seneca, LLC	5	5	45,000,000		3/25/2020
4 Barcalo Living & Commerce/Barcalo Buffalo, LLC	39	30	34,727,449		2/26/2020
5 6700 Transit Road/Big Ditch	168	168	32,300,055		5/27/2020
6 Steuben Foods, Inc.	634	20	25,621,494		3/25/2020
7 Great Point Opportunity Fund B QOZB, LLC	12	12	15,984,800		8/26/2020
8 Elmwood Square Apartments/Related Affordable	4	0		15,826,891	9/23/2020
9 637 Linwood, LLC/1275 Delaware, LLC	10	10	12,460,993		3/25/2020
10 Fisher Price*	279	5	4,925,058		10/28/2020
11 Tonawanda Pirson/Gear Motions	37	2	4,299,040		11/18/2020
12 Tight Holdings, LLC/Mean Guppy	34	0	2,215,000		11/18/2020
13 Kamax, LLC/Raine Logistics, LLC	13	1	2,214,000		6/24/2020
14 3310 Benzing Road/Marathon Drains	17	2	725,000		3/25/2020
Total :	2,270	355	\$ 328,472,889	\$ 15,826,891	

* Indicates an amendatory project.

ATTACHMENT 4A

Buffalo & Erie County Regional Development Corporation

Projects Undertaken by the Corporation (Loans)

Year Ended: December 31, 2020

<u>Company</u>	<u>Loan Amount</u>	<u>Date Closed</u>
1 Sherex Fastening/A. Pratt Holdings	\$ 1,000,000	12/18/2020
2 MedLab Inc.	400,000	12/3/2020
3 Upscale Images, Inc.	50,000	8/31/2020
4 BizWin Strategies, Inc.	50,000	11/4/2020
5 Affordable Technology Solutions, LLC	50,000	12/3/2020
6 Flex-E-Brick Products, Inc.	50,000	12/9/2020

Total \$ 1,600,000

Erie County Industrial Development Agency
 Property Report
 Year Ended: December 31, 2020

Table 1. The following is a listing of all real property owned by the ECIDA and its affiliates at December 31, 2020.

Owner	Address and Location of Property	Full Description of Property	Estimated FMV of Property*
ECIDA	Gateway Trade Center - N.W. Hamburg Turnpike, Lackawanna, NY 14218	Commercial warehouse	\$ 1,140,000
ECIDA	143 Genesee Street, Buffalo, NY 14203	12,803 square foot office facility	1,800,000
ILDC	3445 River Road, Tonawanda, NY 14150	Vacant land	20,000
ILDC	1526 Eden Evans Center Road, Evans, NY 14006	156.69 acres of land w/4 commercial buildings	550,000
ILDC	Eden Evans Center Road, Evans, NY 14006	79.7 acres of vacant land	160,000
ILDC	2303 Hamburg Turnpike, Lackawanna, NY 14218	137.96 acres of vacant land w/19,368 s.f. building	\$ 1,261,856

Table 2. The following is a listing of personal property (with a fair market value ("FMV") in excess of \$5,000) and all real property that was disposed of during 2020.

Owner	Address and Location of Property	Full Description of Property	Estimated FMV* of Property	Name & Address of Purchaser	Date of Sale	Price Received

Table 3. The following is a listing of all real property that was acquired during 2020.

Owner	Address and Location of Property	Full Description of Property	Estimated FMV* of Property	Name & Address of Seller	Date of Purchase	Price Paid by ILDC
ILDC	1526 Eden Evans Center Road, Evans, NY 14006	156.69 acres of land w/4 commercial buildings	\$ 550,000	Richard W. Tocha 5279 Willowlake Court Clarence, NY 14031	4/9/2020	\$800,000
ILDC	Eden Evans Center Road, Evans, NY 14006	79.7 acres of vacant land	\$ 160,000	E&R Horizons, LLC 38 St. David's Drive West Seneca, NY 14224	04/09/20	\$ 180,000

Please note that the above listing excludes the hundreds of properties in which the ECIDA has technical title in order to convey certain tax or other benefits. The properties presented are those where the ECIDA has "real" beneficial ownership.

* Based on assessed value (adjusted for tax equalization rate if applicable) or appraisal, if available.

**ECIDA/RDC/ILDC Board Committees
(As of 12/31/20)**

Attachment #6

Key: E= ECIDA, R=RDC, I=ILDC

Name	Executive	Governance	Compensation	Finance & Audit	Nominating	Policy	Loan	Project Expenditure Committee	Loan Write-Off
Denise Abbott			E			ER	ER		
Alan Alpert*								ER	
April Baskin*						ER			
Penny Beckwith*				ERI					ERI
Clifford Bell*								ER	
Diane Benczkowski									ERI
Mark Blue			E		ERI	ER			
Bryon Brown	ER					ER			
Johanna Coleman*						ER			
Richard Cummings*						ER			
Colleen Dipirro*						ER			
Joseph Emminger	ER			ERI			ER		
Dottie Gallagher			E		ERI				
Rebecca Gandour*							ER		
Howard Johnson		ERI			ERI				
Tyra Johnson-Hux		ERI						ER	ERI
Richard Krebs*						ER			
Brian Kulpa		ERI							
Nancy LaTulip*							ER		
Richard Lipsitz	ER		E		ERI	ER			
Brenda McDuffie	ER	ERI			ERI	ER			
Diane McMahon*								ER	
David McKinley*							ER		
Glenn Nellis	ER			ERI		ER			
Mark Poloncarz	ER		E		ERI			ER	
Darius Pridgen	ER								ERI
Denise Roche			E		ERI				

ECIDA/RDC/ILDC Board Committees
(As of 12/31/20)

Attachment #6

Key: E= ECIDA, R=RDC, I=ILDC

Name	Executive	Governance	Compensation	Finance & Audit	Nominating	Policy	Loan	Project Expenditure Committee	Loan Write-Off
Kenneth Schoetz		ERI	E		ERI			ER	ERI
Laura Smith*						ER			
David State*		ERI				ER			
Lavon Stephens*						ER			
Michael Szukala*				ERI					
Michael Taylor*							ER		
Paul Vukelic				ERI					
Maria Whyte*		ERI				ER			
William Witzleben*				ERI					ERI
Royce Woods*							ER		

* Non-Board members

2020 ECIDA AND AFFILIATES BOARD MEMBER MEETING LIST

X = ATTENDED

Board	Member	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Notes
ECIDA		1/22/20	2/26/20	3/25/20	4/22/20	5/27/20	6/24/20	7/22/20	8/26/20	9/23/20	10/28/20	11/18/20	12/16/20	
	Denise Abbott	X	X				X	X		X	X		X	
	Hon. Diane Benczkowski	X	X	X	X	X	X	X	X	X	X	X		
	Rev. Mark Blue		X	X	X		X		X	X	X	X	X	
	Hon. Byron Brown		X	X	X	X						X		
	James Doherty													
	Hon. Joseph Erminger	X	X			X	X	X		X		X		
	Dottie Gallagher	X		X		X			X					
	Howard Johnson	X		X	X	X		X		X	X		X	
	Tyra Johnson	X	X	X	X		X	X	X	X	X	X		
	Hon. Brian Kulpa			X	X				X		X	X	X	
	Richard Lipsitz	X		X	X	X	X	X	X	X	X	X	X	
	Brenda McDuffie	X	X	X	X	X	X	X	X	X	X	X	X	
	Hon. Glenn Nellis		X	X	X	X	X	X	X	X	X	X	X	
	Hon. Mark Poloncarz	X	X	X	X	X	X	X	X	X	X	X	X	
	Rev. Darius Pridgen		X	X		X	X	X				X	X	
	Sr. Denise Roche	X	X	X	X	X	X	X	X	X	X	X	X	
	Kenneth Schoetz	X	X	X	X	X	X	X	X	X	X	X	X	
	Charles Specht				X	X								Term ended 6/24/20
	Paul Vukelic												X	Term Began 12/16/2020
	Renee Wilson							X						Term began 7/22/20
	Art Wingerter	X	X	X	X	X	X		X	X	X	X		Term Ended 11/18/2020
Board	Member	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
RDC		1/22/20	No Meeting	3/25/20	4/22/20	No Meeting	No Meeting	No Meeting	8/26/20	9/23/20	10/28/20	11/18/20	No Meeting	
	Denise Abbott	X								X	X			
	Diane Benczkowski	X		X	X				X	X	X			
	Rev. Mark Blue			X	X		X		X	X	X	X		

2020 ECIDA AND AFFILIATES BOARD MEMBER MEETING LIST

Attachment #7

X = ATTENDED

Board Member	Jan 1/22/20	Feb No Meeting	Mar No Meeting	Apr 4/22/20	May 5/27/20	Jun No Meeting	Jul 7/22/20	Aug 8/26/20	Sep 9/23/20	Oct 10/28/20	Nov No Meeting	Dec 12/16/20
Hon. Byron Brown				X	X						X	
James Doherty											X	
Hon. Joseph Emminger	X				X	X	X		X			
Dottie Gallagher	X		X		X			X			X	
Howard Johnson	X		X	X	X		X	X	X	X		
Tyra Johnson	X		X	X			X	X	X	X		
Hon. Brian Kulp				X				X		X	X	
Richard Lipsitz	X		X	X	X	X	X	X	X	X	X	
Brenda McDuffie	X		X	X	X	X	X	X	X	X		
Hon. Glenn Nellis			X	X	X	X	X	X	X	X	X	
Hon. Mark Poloncarz	X			X	X	X	X	X	X	X	X	
Rev. Darius Pridgen			X		X	X	X				X	
Sr. Denise Roche	X		X	X	X	X	X	X	X	X	X	
Kenneth Schoetz	X		X	X	X	X	X	X		X	X	
Charles Specht				X	X							Term ended 6/24/20
Paul Vukelic												Term Began 12/16/2020
Renee Wilson							X					Term began 7/22/20
Art Wingerter	X			X	X			X			X	Term Ended 11/18/2020
Board Member	Jan 1/22/20	Feb No Meeting	Mar No Meeting	Apr 4/22/20	May 5/27/20	Jun No Meeting	Jul 7/22/20	Aug 8/26/20	Sep 9/23/20	Oct 10/28/20	Nov No Meeting	Dec 12/16/20
Denise Abbott	X						X		X	X		X
Hon. April Baskin					X		X	X	X			X
Hon. Byron Brown				X	X							
Hon. Howard Johnson	X			X	X		X		X	X		X
Richard Lipsitz	X			X	X		X	X	X	X		X
Hon. Mark Poloncarz	X			X	X		X	X	X	X		X
Maria Whyte	X			X	X		X	X	X	X		X

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2020

Run Date: 03/12/2021
 Status: UNSUBMITTED
 Certified Date : N/A

Procurement Information:

Question	Response	URL (if Applicable)
1. Does the Authority have procurement guidelines?	Yes	https://www.ecidany.com/about-us-corporate-policies
2. Are the procurement guidelines reviewed annually, amended if needed, and approved by the Board?	Yes	
3. Does the Authority allow for exceptions to the procurement guidelines?	No	
4. Does the Authority assign credit cards to employees for travel and/or business purchases?	Yes	
5. Does the Authority require prospective bidders to sign a non-collusion agreement?	Yes	
6. Does the Authority incorporate a summary of its procurement policies and prohibitions in its solicitation of proposals, bid documents, or specifications for procurement contracts?	No	
7. Did the Authority designate a person or persons to serve as the authorized contact on a specific procurement, in accordance with Section 139-j(2)(a) of the State Finance Law, "The Procurement Lobbying Act"?	Yes	
8. Did the Authority determine that a vendor had impermissible contact during a procurement or attempted to influence the procurement during the reporting period, in accordance with Section 139-j(10) of the State Finance Law?	No	
8a. If Yes, was a record made of this impermissible contact?		
9. Does the Authority have a process to review and investigate allegations of impermissible contact during a procurement, and to impose sanctions in instances where violations have occurred, in accordance with Section 139-j(9) of the State Finance Law?	Yes	

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2020

Run Date: 03/12/2021
 Status: UNSUBMITTED
 Certified Date: N/A

Procurement Transactions Listing:

1.	Vendor Name	360 PSG.com	Address Line1	455 Commerce Drive
	Type of Procurement	Technology - Consulting/Development or Support	Address Line2	Suite 3
	Award Process	Authority Contract - Competitive Bid	City	BUFFALO
	Award Date	7/14/2009	State	NY
	End Date		Postal Code	14228
	Fair Market Value		Plus 4	
	Amount	\$6,442.50	Province/Region	
	Amount Expended For Fiscal Year	\$6,442.50	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Website development and hosting.

2.	Vendor Name	Blue Cross/Blue Shield of WNY	Address Line1	Payment Process Center
	Type of Procurement	Other	Address Line2	PO Box 644366
	Award Process	Authority Contract - Competitive Bid	City	PITTSBURGH
	Award Date	2/1/2020	State	PA
	End Date	1/31/2021	Postal Code	15264
	Fair Market Value		Plus 4	
	Amount	\$194,693.65	Province/Region	
	Amount Expended For Fiscal Year	\$194,693.65	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Health insurance for employees.

Procurement Report for Erie County Industrial Development Agency
Fiscal Year Ending: 12/31/2020

Run Date: 03/12/2021
Status: UNSUBMITTED
Certified Date : N/A

3. Vendor Name	Buffalo Business First	Address Line1	14016 Collections Center Drive
Type of Procurement	Other	Address Line2	
Award Process	Non Contract Procurement/Purchase Order	City	CHICAGO
Award Date		State	IL
End Date		Postal Code	60693
Fair Market Value		Plus 4	
Amount		Province/Region	
Amount Expended For Fiscal Year	\$43,790.00	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Targeted advertising campaign in local weekly business publication.

4. Vendor Name	Buffalo Niagara Manufacturing Alliance	Address Line1	169 Bullis Road
Type of Procurement	Other	Address Line2	
Award Process	Non Contract Procurement/Purchase Order	City	COWLESVILLE
Award Date		State	NY
End Date		Postal Code	14037
Fair Market Value		Plus 4	
Amount		Province/Region	
Amount Expended For Fiscal Year	\$6,000.00	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Sponsorship (\$6,000)

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2020

Run Date: 03/12/2021
Status: UNSUBMITTED
Certified Date : N/A

5.	Vendor Name	Buffalo Southern Railroad	Address Line1	8600 Depot Street
	Type of Procurement	Commodities/Supplies	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	EDEN
	Award Date	4/23/2019	State	NY
	End Date	8/5/2019	Postal Code	14057
	Fair Market Value		Plus 4	
	Amount	\$30,538.83	Province/Region	
	Amount Expended For Fiscal Year	\$30,538.83	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Materials for the railroad grade crossing.

6.	Vendor Name	Buffalo Urban Development Corporation	Address Line1	95 Perry Street
	Type of Procurement	Other	Address Line2	Suite 404
	Award Process	Non Contract Procurement/Purchase Order	City	BUFFALO
	Award Date		State	NY
	End Date		Postal Code	14203
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For Fiscal Year	\$100,000.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Grant support for the Buffalo Building Reuse project.

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2020

Run Date: 03/12/2021
Status: UNSUBMITTED
Certified Date : N/A

7. Vendor Name	Chubb & Son, a Division of Federal Insurance Company	Address Line1	P. O. Box 382001
Type of Procurement	Other	Address Line2	
Award Process	Authority Contract - Competitive Bid	City	PITTSBURGH
Award Date	12/31/2019	State	PA
End Date	12/31/2020	Postal Code	15250
Fair Market Value		Plus 4	
Amount	\$15,564.00	Province/Region	
Amount Expended For Fiscal Year	\$15,564.00	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Excess liability and excess crime insurance.

8. Vendor Name	Copier Fax Business Technologies, Inc.	Address Line1	465 Ellicott Street
Type of Procurement	Commodities/Supplies	Address Line2	
Award Process	Authority Contract - Competitive Bid	City	BUFFALO
Award Date	12/14/2018	State	NY
End Date	12/14/2023	Postal Code	14203
Fair Market Value		Plus 4	
Amount	\$9,136.82	Province/Region	
Amount Expended For Fiscal Year	\$9,136.82	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	DocuWare annual maintenance charges (\$6,308.36), and copier charges (\$2,828.46).

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2020

Run Date: 03/12/2021
Status: UNSUBMITTED
Certified Date : N/A

9. Vendor Name	DeLage Landen Financial Services, Inc.	Address Line1	PO Box 41602
Type of Procurement	Technology - Hardware	Address Line2	
Award Process	Authority Contract - Competitive Bid	City	PHILADELPHIA
Award Date	12/14/2018	State	PA
End Date	12/14/2023	Postal Code	19101
Fair Market Value		Plus 4	
Amount	\$5,556.96	Province/Region	United States
Amount Expended For Fiscal Year	\$5,556.96	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Lease for office copiers.

10. Vendor Name	Dell Marketing, L.P.	Address Line1	P.O. Box 643561
Type of Procurement	Technology - Software	Address Line2	
Award Process	Purchased Under State Contract	City	PITTSBURGH
Award Date		State	PA
End Date		Postal Code	15264
Fair Market Value		Plus 4	
Amount		Province/Region	United States
Amount Expended For Fiscal Year	\$8,496.68	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Software licenses.

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2020

Run Date: 03/12/2021
Status: UNSUBMITTED
Certified Date : N/A

11.	Vendor Name	Earthlink Business (Windstream)	Address Line1	P.O. Box 88104
	Type of Procurement	Telecommunication Equipment or Services	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	CHICAGO
	Award Date	1/21/2011	State	IL
	End Date		Postal Code	60680
	Fair Market Value		Plus 4	
	Amount	\$14,637.46	Province/Region	
	Amount Expended For Fiscal Year	\$14,637.46	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Telephone and internet service provider

12.	Vendor Name	Empire State Development	Address Line1	633 Third Avenue
	Type of Procurement	Other	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	NEW YORK
	Award Date	3/7/2008	State	NY
	End Date	9/30/2023	Postal Code	10017
	Fair Market Value		Plus 4	
	Amount	\$175,490.85	Province/Region	
	Amount Expended For Fiscal Year	\$175,490.85	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Rent for offices at 95 Perry Street.

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2020

Run Date: 03/12/2021
Status: UNSUBMITTED
Certified Date : N/A

13. Vendor Name	Fireman's Fund Insurance Companies	Address Line1	P.O. Box 3914
Type of Procurement	Other	Address Line2	
Award Process	Authority Contract - Competitive Bid	City	CAROL STREAM
Award Date	12/31/2018	State	IL
End Date	12/31/2019	Postal Code	60132
Fair Market Value		Plus 4	
Amount	\$11,220.00	Province/Region	
Amount Expended For Fiscal Year	\$11,220.00	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Excess liability insurance policy.

14. Vendor Name	Freed Maxick CPAs, P.C.	Address Line1	P.O. Box 8000
Type of Procurement	Financial Services	Address Line2	Dept. 644
Award Process	Authority Contract - Competitive Bid	City	BUFFALO
Award Date	9/27/2017	State	NY
End Date	3/31/2021	Postal Code	14267
Fair Market Value		Plus 4	
Amount	\$26,500.00	Province/Region	
Amount Expended For Fiscal Year	\$26,500.00	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Audit services.

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2020

Run Date: 03/12/2021
Status: UNSUBMITTED
Certified Date : N/A

15.	Vendor Name	Guardian	Address Line1	7 Hanover Street
	Type of Procurement	Other	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	NEW YORK
	Award Date	2/1/2019	State	NY
	End Date	1/1/2020	Postal Code	10004
	Fair Market Value		Plus 4	
	Amount	\$18,584.48	Province/Region	
	Amount Expended For Fiscal Year	\$18,584.48	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Dental Insurance for ECIDA employees.

16.	Vendor Name	Harris Beach, PLLC	Address Line1	Larkin at Exchange
	Type of Procurement	Legal Services	Address Line2	726 Exchange Street, Suite 1000
	Award Process	Authority Contract - Competitive Bid	City	BUFFALO
	Award Date	1/12/2009	State	NY
	End Date	5/1/2022	Postal Code	14210
	Fair Market Value		Plus 4	
	Amount	\$42,184.40	Province/Region	
	Amount Expended For Fiscal Year	\$42,184.40	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Legal services.

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2020

Run Date: 03/12/2021
Status: UNSUBMITTED
Certified Date : N/A

17.	Vendor Name	Innovative Cloud Solutions, LLC	Address Line1	165 Montgomery Road
	Type of Procurement	Technology - Consulting/Development or Support	Address Line2	
	Award Process	Non Contract Procurement/Purchase Order	City	ALTAMONTE SPRINGS
	Award Date		State	FL
	End Date		Postal Code	32714
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For Fiscal Year	\$5,805.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	General Ledger Consulting Service. Formerly Software Solutions Group. Support for implementation of general ledger software.

18.	Vendor Name	Invest Buffalo Niagara	Address Line1	257 W. Genesee Street
	Type of Procurement	Other	Address Line2	Suite 600
	Award Process	Non Contract Procurement/Purchase Order	City	BUFFALO
	Award Date		State	NY
	End Date		Postal Code	14202
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For Fiscal Year	\$122,000.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Membership dues (\$50,000) and sponsorship of the Canadian Lead Generation Initiative (\$72,000).

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2020

Run Date: 03/12/2021
Status: UNSUBMITTED
Certified Date : N/A

19.	Vendor Name	Layer 3 Technologies	Address Line1	1645 Lyell Avenue
	Type of Procurement	Technology - Software	Address Line2	
	Award Process	Purchased Under State Contract	City	ROCHESTER
	Award Date		State	NY
	End Date		Postal Code	14606
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For Fiscal Year	\$5,459.01	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	IT Services

20.	Vendor Name	Lincoln Life & Annuity	Address Line1	P.O. Box 7247-0347
	Type of Procurement	Other	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	PHILADELPHIA
	Award Date	2/1/2019	State	PA
	End Date	1/1/2020	Postal Code	19170
	Fair Market Value		Plus 4	
	Amount	\$13,925.86	Province/Region	
	Amount Expended For Fiscal Year	\$13,925.86	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Life insurance, long-term disability, and accidental death & dismemberment insurance policies for ECIDA employees.

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2020

Run Date: 03/12/2021
Status: UNSUBMITTED
Certified Date : N/A

21.	Vendor Name	Loptr Security, LLC	Address Line1	574 Main Street
	Type of Procurement	Technology - Software	Address Line2	Suite 201
	Award Process	Authority Contract - Competitive Bid	City	EAST AURORA
	Award Date	2/1/2021	State	NY
	End Date	2/1/2021	Postal Code	14052
	Fair Market Value		Plus 4	
	Amount	\$5,625.90	Province/Region	
	Amount Expended For Fiscal Year	\$5,625.90	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Cyber Security services and virtual security licensing renewal

22.	Vendor Name	Metropolitan Life Insurance Company	Address Line1	200 Park Avenue
	Type of Procurement	Other	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	NEW YORK
	Award Date	5/1/2020	State	NY
	End Date	4/30/2021	Postal Code	10166
	Fair Market Value		Plus 4	
	Amount	\$7,470.02	Province/Region	
	Amount Expended For Fiscal Year	\$7,470.02	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Group term life insurance, long-term disability insurance and accidental death insurance for employees

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2020

Run Date: 03/12/2021
Status: UNSUBMITTED
Certified Date : N/A

23.	Vendor Name	NYSIF Workers' Compensation	Address Line1	P.O. Box 5238
	Type of Procurement	Other	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	NEW YORK
	Award Date	1/1/2019	State	NY
	End Date	12/31/2019	Postal Code	10008
	Fair Market Value		Plus 4	
	Amount	\$1,428.03	Province/Region	
	Amount Expended For Fiscal Year	\$1,428.03	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Worker's compensation insurance.

24.	Vendor Name	National Development Council	Address Line1	One Battery Park Plaza
	Type of Procurement	Other Professional Services	Address Line2	24 Whitehall Street, Suite 710
	Award Process	Non Contract Procurement/Purchase Order	City	NEW YORK
	Award Date		State	NY
	End Date		Postal Code	10004
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For Fiscal Year	\$10,000.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Technical assistance for community and economic development programs.

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2020

Run Date: 03/12/2021
 Status: UNSUBMITTED
 Certified Date : N/A

25. Vendor Name	New York State Economic Development Council (NYSEDC)	Address Line1	111 Washington Avenue
Type of Procurement	Other	Address Line2	6th Floor
Award Process	Non Contract Procurement/Purchase Order	City	ALBANY
Award Date		State	NY
End Date		Postal Code	12210
Fair Market Value		Plus 4	
Amount		Province/Region	United States
Amount Expended For Fiscal Year	\$9,195.00	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Sponsorships for events (\$7,000), membership dues (\$2,000), event registration (\$195.00)

26. Vendor Name	Philadelphia Insurance Companies	Address Line1	P.O. Box 70251
Type of Procurement	Other	Address Line2	
Award Process	Authority Contract - Competitive Bid	City	PHILADELPHIA
Award Date	12/31/2018	State	PA
End Date	1/1/2020	Postal Code	19176
Fair Market Value		Plus 4	
Amount	\$44,135.62	Province/Region	United States
Amount Expended For Fiscal Year	\$44,135.62	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Directors & officers insurance, municipal package insurance, and general liability insurance.

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2020

Run Date: 03/12/2021
Status: UNSUBMITTED
Certified Date: N/A

27.	Vendor Name	Print2Web, LLC	Address Line1	712 Main Street
	Type of Procurement	Other Professional Services	Address Line2	Suite 113A
	Award Process	Authority Contract - Competitive Bid	City	BUFFALO
	Award Date	1/16/2018	State	NY
	End Date		Postal Code	14202
	Fair Market Value		Plus 4	
	Amount	\$9,070.00	Province/Region	
	Amount Expended For Fiscal Year	\$9,070.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	2020 Calendars (\$4,110), 2019 Annual Report graphic design and printing (\$4,960)

28.	Vendor Name	The Buffalo News	Address Line1	PO Box 650
	Type of Procurement	Other	Address Line2	
	Award Process	Non Contract Procurement/Purchase Order	City	BUFFALO
	Award Date		State	NY
	End Date		Postal Code	14240
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For Fiscal Year	\$20,667.30	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Public hearing notices and RFP notices.

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2020

Run Date: 03/12/2021
Status: UNSUBMITTED
Certified Date : N/A

29. Vendor Name	W.B. Mason Co., Inc.	Address Line1	P.O. Box 981101
Type of Procurement	Commodities/Supplies	Address Line2	
Award Process	Authority Contract - Non-Competitive Bid	City	BOSTON
Award Date	1/1/2018	State	MA
End Date	12/31/2018	Postal Code	02298
Fair Market Value	\$13,037.55	Plus 4	
Amount	\$13,037.55	Province/Region	
Amount Expended For Fiscal Year	\$13,037.55	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Office supplies.

30. Vendor Name	Windstream	Address Line1	P.O. Box 9001013
Type of Procurement	Telecommunication Equipment or Services	Address Line2	
Award Process	Purchased Under State Contract	City	LOUISVILLE
Award Date		State	KY
End Date		Postal Code	40290
Fair Market Value		Plus 4	
Amount		Province/Region	
Amount Expended For Fiscal Year	\$12,159.11	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Phone and Internet Services

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2020

Run Date: 03/12/2021
Status: UNSUBMITTED
Certified Date : N/A

Additional Comments

Procurement Report for Buffalo and Erie County Regional Development Corporation

Fiscal Year Ending: 12/31/2020

Run Date: 03/12/2021
 Status: UNSUBMITTED
 Certified Date: N/A

Procurement Information:

Question	Response	URL (if Applicable)
1. Does the Authority have procurement guidelines?	Yes	https://www.ecidany.com/about-us-corporate-policies
2. Are the procurement guidelines reviewed annually, amended if needed, and approved by the Board?	Yes	
3. Does the Authority allow for exceptions to the procurement guidelines?	No	
4. Does the Authority assign credit cards to employees for travel and/or business purchases?	Yes	
5. Does the Authority require prospective bidders to sign a non-collusion agreement?	Yes	
6. Does the Authority incorporate a summary of its procurement policies and prohibitions in its solicitation of proposals, bid documents, or specifications for procurement contracts?	No	
7. Did the Authority designate a person or persons to serve as the authorized contact on a specific procurement, in accordance with Section 139-j(2)(a) of the State Finance Law, "The Procurement Lobbying Act"?	Yes	
8. Did the Authority determine that a vendor had impermissible contact during a procurement or attempted to influence the procurement during the reporting period, in accordance with Section 139-j(10) of the State Finance Law?	No	
8a. If Yes, was a record made of this impermissible contact?		
9. Does the Authority have a process to review and investigate allegations of impermissible contact during a procurement, and to impose sanctions in instances where violations have occurred, in accordance with Section 139-j(9) of the State Finance Law?	Yes	

Procurement Report for Buffalo and Erie County Regional Development Corporation

Fiscal Year Ending: 12/31/2020

Run Date: 03/12/2021
Status: UNSUBMITTED
Certified Date : N/A

Procurement Transactions Listing:

1.	Vendor Name	Buffalo Business First	Address Line1	P.O. Box 36919
	Type of Procurement	Other	Address Line2	
	Award Process	Non Contract Procurement/Purchase Order	City	CHARLOTTE
	Award Date		State	NC
	End Date		Postal Code	28236
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For Fiscal Year	\$5,080.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Loan program marketing
2.	Vendor Name	Erie County IDA	Address Line1	95 Perry Street
	Type of Procurement	Staffing Services	Address Line2	Suite 403
	Award Process	Non Contract Procurement/Purchase Order	City	BUFFALO
	Award Date		State	NY
	End Date		Postal Code	14203
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For Fiscal Year	\$303,020.65	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Management fee to Erie County IDA for staffing services.

Procurement Report for Buffalo and Erie County Regional Development Corporation

Fiscal Year Ending: 12/31/2020

Run Date: 03/12/2021
Status: UNSUBMITTED
Certified Date : N/A

3. Vendor Name	Freed Maxick CPAs, P.C.	Address Line1	P.O. Box 8000
Type of Procurement	Other Professional Services	Address Line2	Dept. 644
Award Process	Authority Contract - Competitive Bid	City	BUFFALO
Award Date	9/27/2017	State	NY
End Date	3/31/2021	Postal Code	14267
Fair Market Value		Plus 4	
Amount	\$19,050.00	Province/Region	
Amount Expended For Fiscal Year	\$19,050.00	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Audit services.

4. Vendor Name	Harris Beach, PLLC	Address Line1	Larkin at Exchange Street
Type of Procurement	Legal Services	Address Line2	726 Exchange Street, Ste. 1000
Award Process	Authority Contract - Competitive Bid	City	BUFFALO
Award Date	1/12/2009	State	NY
End Date	5/1/2022	Postal Code	14210
Fair Market Value		Plus 4	
Amount	\$47,218.93	Province/Region	
Amount Expended For Fiscal Year	\$47,218.93	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Legal services not related to loan closings (loan committee meetings, general counsel work, etc.).

Procurement Report for Buffalo and Erie County Regional Development Corporation

Fiscal Year Ending: 12/31/2020

Run Date: 03/12/2021
 Status: UNSUBMITTED
 Certified Date : N/A

5.	Vendor Name	Hurwitz & Fine, P.C.	Address Line1	1300 Liberty Building
	Type of Procurement	Legal Services	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	BUFFALO
	Award Date	5/1/2019	State	NY
	End Date	5/1/2022	Postal Code	14202
	Fair Market Value		Plus 4	
	Amount	\$133,345.75	Province/Region	
	Amount Expended For Fiscal Year	\$133,345.75	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Legal services for loans.

Additional Comments

Procurement Report for Buffalo and Erie County Industrial Land Development Corporation

Fiscal Year Ending: 12/31/2020

Run Date: 03/12/2021
 Status: UNSUBMITTED
 Certified Date : N/A

Procurement Information:

Question	Response	URL (If Applicable)
1. Does the Authority have procurement guidelines?	Yes	https://www.ecidany.com/about-us-corporate-policies
2. Are the procurement guidelines reviewed annually, amended if needed, and approved by the Board?	Yes	
3. Does the Authority allow for exceptions to the procurement guidelines?	No	
4. Does the Authority assign credit cards to employees for travel and/or business purchases?	No	
5. Does the Authority require prospective bidders to sign a non-collusion agreement?	Yes	
6. Does the Authority incorporate a summary of its procurement policies and prohibitions in its solicitation of proposals, bid documents, or specifications for procurement contracts?	No	
7. Did the Authority designate a person or persons to serve as the authorized contact on a specific procurement, in accordance with Section 139-j(2)(a) of the State Finance Law, "The Procurement Lobbying Act"?	Yes	
8. Did the Authority determine that a vendor had impermissible contact during a procurement or attempted to influence the procurement during the reporting period, in accordance with Section 139-j(10) of the State Finance Law?	No	
8a. If Yes, was a record made of this impermissible contact?		
9. Does the Authority have a process to review and investigate allegations of impermissible contact during a procurement, and to impose sanctions in instances where violations have occurred, in accordance with Section 139-j(9) of the State Finance Law?	Yes	

Procurement Report for Buffalo and Erie County Industrial Land Development Corporation

Fiscal Year Ending: 12/31/2020

Run Date: 03/12/2021
Status: UNSUBMITTED
Certified Date : N/A

Procurement Transactions Listing:

1.	Vendor Name	19 Ideas, Inc.	Address Line1	32C Essex Street
	Type of Procurement	Consulting Services	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	BUFFALO
	Award Date	8/1/2019	State	NY
	End Date		Postal Code	14213
	Fair Market Value		Plus 4	
	Amount	\$18,000.00	Province/Region	
	Amount Expended For Fiscal Year	\$8,000.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Bethlehem Steel site brand development research.
2.	Vendor Name	AECOM USA, Inc.	Address Line1	1178 Paysphere Circle
	Type of Procurement	Other Professional Services	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	CHICAGO
	Award Date	4/13/2018	State	IL
	End Date	6/1/2019	Postal Code	60674
	Fair Market Value		Plus 4	
	Amount	\$307,025.00	Province/Region	
	Amount Expended For Fiscal Year	\$5,992.02	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Bethlehem Steel infrastructure master plan and Generic Environmental Impact Statement.

Procurement Report for Buffalo and Erie County Industrial Land Development Corporation

Fiscal Year Ending: 12/31/2020

Run Date: 03/12/2021
Status: UNSUBMITTED
Certified Date : N/A

3.	Vendor Name	CPL Architecture Engineering Planning	Address Line1	205 St. Paul Street
	Type of Procurement	Design and Construction/Maintenance	Address Line2	Suite 500
	Award Process	Authority Contract - Non-Competitive Bid	City	ROCHESTER
	Award Date	7/22/2019	State	NY
	End Date		Postal Code	14604
	Fair Market Value	\$6,750.00	Plus 4	
	Amount	\$6,750.00	Province/Region	
	Amount Expended For Fiscal Year	\$6,750.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Angola Airport Phase I environmental site assessment (\$4,500) and Angola airport Phase II additional work (\$2,250).

4.	Vendor Name	Empire State Development	Address Line1	95 Perry Street, 5th Floor
	Type of Procurement	Other	Address Line2	
	Award Process	Non Contract Procurement/Purchase Order	City	BUFFALO
	Award Date		State	NY
	End Date		Postal Code	14203
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For Fiscal Year	\$18,175.60	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Grant application fee and public hearing expense reimbursement.

Procurement Report for Buffalo and Erie County Industrial Land Development Corporation

Fiscal Year Ending: 12/31/2020

Run Date: 03/12/2021
Status: UNSUBMITTED
Certified Date : N/A

5. Vendor Name	Erie County Industrial Development Agency	Address Line1	95 Perry Street
Type of Procurement	Staffing Services	Address Line2	Suite 403
Award Process	Non Contract Procurement/Purchase Order	City	BUFFALO
Award Date		State	NY
End Date		Postal Code	14203
Fair Market Value		Plus 4	
Amount		Province/Region	
Amount Expended For Fiscal Year	\$74,532.27	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Intercompany transfer.

6. Vendor Name	Evans Town Clerk / Lynn Krajacic	Address Line1	C/O Evans Bank
Type of Procurement	Other	Address Line2	P.O. Box 797
Award Process	Non Contract Procurement/Purchase Order	City	HAMBURG
Award Date		State	NY
End Date		Postal Code	14075
Fair Market Value		Plus 4	
Amount		Province/Region	
Amount Expended For Fiscal Year	\$11,300.46	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Angola Ag Park property taxes

Procurement Report for Buffalo and Erie County Industrial Land Development Corporation

Fiscal Year Ending: 12/31/2020

Run Date: 03/12/2021
Status: UNSUBMITTED
Certified Date : N/A

7.	Vendor Name	Harris Beach, PLLC	Address Line1	Larkin at Exchange
	Type of Procurement	Legal Services	Address Line2	726 Exchange Street, Suite 1000
	Award Process	Authority Contract - Competitive Bid	City	BUFFALO
	Award Date	1/12/2009	State	NY
	End Date	5/1/2022	Postal Code	14210
	Fair Market Value		Plus 4	
	Amount	\$62,420.06	Province/Region	
	Amount Expended For Fiscal Year	\$62,420.06	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Angola Airport land purchases costs (\$3,570), legal fees (\$58,850.06).

8.	Vendor Name	LaBella Associates P.C.	Address Line1	300 State Street
	Type of Procurement	Consulting Services	Address Line2	Suite 201
	Award Process	Authority Contract - Competitive Bid	City	ROCHESTER
	Award Date	9/23/2016	State	NY
	End Date		Postal Code	14614
	Fair Market Value		Plus 4	
	Amount	\$14,025.00	Province/Region	
	Amount Expended For Fiscal Year	\$78,826.65	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Planning/engineering services related to Bethlehem Steel-Woodlawn Beach Shoreline Trail. This work is part of the Buffalo Billion II grant. (\$67,926.65). Annual BCP certification for Bethlehem Steel site \$5,200. Bethlehem Steel site Phase II environrm

Procurement Report for Buffalo and Erie County Industrial Land Development Corporation

Fiscal Year Ending: 12/31/2020

Run Date: 03/12/2021
Status: UNSUBMITTED
Certified Date : N/A

9.	Vendor Name	Lackawanna City Treasurer	Address Line1	714 Ridge Road
	Type of Procurement	Other	Address Line2	
	Award Process	Non Contract Procurement/Purchase Order	City	LACKAWANNA
	Award Date		State	NY
	End Date		Postal Code	14218
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For Fiscal Year	\$78,970.61	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	City of Lackawanna sewer tax for the Bethlehem Steel property.

10.	Vendor Name	Law Office of Ralph C. Lorigo (Escrow Agent)	Address Line1	101 Slade Avenue
	Type of Procurement	Legal Services	Address Line2	
	Award Process	Non Contract Procurement/Purchase Order	City	WEST SENECA
	Award Date		State	NY
	End Date		Postal Code	14224
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For Fiscal Year	\$176,822.62	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Angola Airport land purchase

Procurement Report for Buffalo and Erie County Industrial Land Development Corporation

Fiscal Year Ending: 12/31/2020

Run Date: 03/12/2021
Status: UNSUBMITTED
Certified Date : N/A

11.	Vendor Name	Paradigm Environmental Services, Inc.	Address Line1	179 Lake Avenue
	Type of Procurement	Design and Construction/Maintenance	Address Line2	
	Award Process	Authority Contract - Non-Competitive Bid	City	ROCHESTER
	Award Date	10/31/2019	State	NY
	End Date	10/31/2019	Postal Code	14608
	Fair Market Value	\$10,908.00	Plus 4	
	Amount	\$10,908.00	Province/Region	
	Amount Expended For Fiscal Year	\$10,908.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Phase 2 environmental work for the Angola airport site.

12.	Vendor Name	Philadelphia Insurance Companies	Address Line1	P.O. Box 70251
	Type of Procurement	Other	Address Line2	
	Award Process	Non Contract Procurement/Purchase Order	City	PHILADELPHIA
	Award Date		State	PA
	End Date		Postal Code	19176
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For Fiscal Year	\$7,053.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	General liability insurance related to Angola Ag Park property

Procurement Report for Buffalo and Erie County Industrial Land Development Corporation

Fiscal Year Ending: 12/31/2020

Run Date: 03/12/2021
Status: UNSUBMITTED
Certified Date : N/A

13.	Vendor Name	Symans Enterprises	Address Line1	3563 Werle Road
	Type of Procurement	Design and Construction/Maintenance	Address Line2	
	Award Process	Non Contract Procurement/Purchase Order	City	DUNKIRK
	Award Date		State	NY
	End Date		Postal Code	14048
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For Fiscal Year	\$7,840.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Angola AG Park site maintenance (brush hogging)

Additional Comments

**Erie County Industrial Development Agency
Buffalo & Erie County Regional Development Corporation
Buffalo & Erie County Industrial Land Development Corporation**

Investment Reports
For the year ended December 31, 2020

**Erie County Industrial Development Agency
Buffalo & Erie County Regional Development Corp. (RDC)
Buffalo & Erie County Industrial Land Development Corp. (ILDC)**

2020 Annual Investment Report

Purpose of Report:

Under Section 2925(6) of the Public Authorities Law, the ECIDA and its affiliates (RDC & ILDC) are required to prepare and approve an annual Investment Report. The investment report is to include: ECIDA's Investment Guidelines (see below), the results of the annual independent investment audit (see below), a list of the total investment income received by the corporation and a list of the fees, commissions or other charges paid to each investment banker, broker, agent, dealer and advisor rendering investment associated services to the corporation since the last Investment Report.

The attached schedule details the corporation's investment income and related fees for the year ended December 31, 2020 and were approved by the Board of each corporation on March 24, 2021.

Investment Guidelines:

In accordance with Section 2925 of the Public Authorities Law, the ECIDA and its affiliates are required to adopt Investment Guidelines which detail its operative policy and instructions to staff regarding the investing, monitoring and reporting of funds of the corporation. In addition, the ECIDA is subject to the deposit and investment restrictions contained in Sections 10 and 11 of the General Municipal Law. The ECIDA's affiliates have elected to follow the deposit and investment restrictions contained in Sections 10 and 11 of the General Municipal Law as a "best practice."

The Investment Guidelines were approved by the Board of each corporation on March 24, 2021 and are posted on the ECIDA website at <https://www.ecidany.com/about-us-corporate-policies>. The Investment Guidelines for the ECIDA and its affiliates are consistent with the prior Guidelines adopted on March 25, 2020.

Investment Audit:

The auditors for the ECIDA and its affiliates have audited the corporation's compliance with the Investment Guidelines for Public Authorities. In their report dated March XX, 2021, Freed Maxick CPAs indicated that the Agency complied, in all material respects, with these Investment Guidelines.

Erie County Industrial Development Agency (ECIDA)

Annual Investment Report

For the year ended December 31, 2020

Account Type	Financial Institution	G/L Balance		Interest Rate ^a Dec 2020	Investment Income	Fees	Restricted	Purpose
		1/1/2020	12/31/2020					
1 Checking	M&T Bank	1,166,759	1,194,625	0.03%	279	-		General ECIDA Checking account
2 Savings	M&T Bank	6,409,760	6,423,067	0.10%	13,307	-		General ECIDA Savings account
3 Checking	M&T Bank	411,957	35,452	0.03%	24	-	✓	ECIDA UDAG Fund checking/investment account
4 Savings	M&T Bank	11,034,672	11,016,682	0.10%	23,585	-	✓	ECIDA UDAG Fund Savings/investment account
5 Checking	M&T Bank	153,503	155,099	0.03%	49	-	✓	Restricted account for Erie County shoreline railroad related activities
6 Savings	M&T Bank	979,274	217,484	0.10%	1,341	-	✓	Restricted account for BLCP, Riverbend and Northland development
7 Savings	M&T Bank	1,525,156	1,528,292	0.10%	3,166	-	✓	Restricted account for North Youngmann Commerce Center & designated Erie County projects
8 Savings	M&T Bank	17,531	-	0.10%	35	-	✓	Restricted account for Buffalo Urban Development Corporation ^b
9 Savings	M&T Bank	2,747,105	2,730,594	0.10%	5,669	-	✓	Restricted account for Infrastructure Improvements in the Main Street District
10 Savings	M&T Bank	1,516,590	1,657,749	0.10%	3,065	-	✓	Restricted account for Infrastructure Improvements in the Seneca Street Corridor District
11 Preferred Custody Account	Citibank	1,000,000	-	0.00%	-	-	✓	Held in escrow in accordance with Gemcor II sale agreement ^c
		\$ 26,962,308	\$ 24,959,045		\$ 50,521	\$ -		

Notes:

^a The Interest Rate is the annualized rate for the month of December 2020 and is prior to the deduction of any fees.

^b Account closed December 2020 after funds were fully disbursed.

Buffalo & Erie County Industrial Land Development Corporation (ILDC)

Annual Investment Report

For the year ended December 31, 2020

Account Type	Financial Institution	G/L Balance		Interest Rate ^a Dec 2020	2020		Restricted	Purpose
		1/1/2020	12/31/2020		Investment Income	Fees		
1 Checking	M&T Bank	186,326	182,312	0.03%	52	\$ -	√	Erie County BDF Microenterprise Loan account
2 Checking	M&T Bank	21,313	1,762,554	0.03%	34	-	√	General ILDC checking account
		<u>\$ 207,639</u>	<u>\$ 1,944,866</u>		<u>\$ 86</u>	<u>\$ -</u>		

Notes:

^a The Interest Rate is the annualized rate for the month of December 2020 and is prior to the deduction of any fees.

Buffalo & Erie County Regional Development Corporation (RDC)

Annual Investment Report

For the year ended December 31, 2020

Account Type	Financial Institution	G/L Balance		Interest Rate ^a Dec 2020	2020		Restricted	Purpose
		1/1/2020	12/31/2020		Investment Income	Fees		
1 Checking	M&T Bank	1,086,466	593,743	0.03%	173	-	✓	EDA Loan Fund Checking/investment account
2 Savings	M&T Bank	6,563,749	5,948,942	0.10%	14,981	-	✓	EDA Loan Fund Savings/investment account
3 Checking	M&T Bank	-	230	0.00%	-	-	✓	EDA CARES Act Loan Fund Checking account ^b
		<u>\$ 7,650,215</u>	<u>\$ 6,542,914</u>		<u>\$ 15,154</u>	<u>\$ -</u>		

Notes:

^a The Interest Rate is the annualized rate for the month of December 2020 and is prior to the deduction of any fees.

^b New account opened in 2020

Erie County Industrial Development Agency (“ECIDA”), Buffalo and Erie County Regional Development Corporation (“RDC”) and Buffalo and Erie County Industrial Land Development Corporation (“ILDC”)

INVESTMENT AND DEPOSIT POLICY

ARTICLE I

Scope

Section 2925 of the Public Authorities Law requires the Erie County Industrial Development Agency (the “Agency”) and its affiliates to adopt by resolution comprehensive investment guidelines which detail its operative policy and instructions to officers and staff regarding the investing, monitoring and reporting of funds of the Agency.

In addition to the requirements set forth in Section 2925 of the Public Authorities Law, the Agency is subject to the deposit and investment restrictions contained in Sections 10 and 11 of the General Municipal Law, which govern the deposit and investment of funds for the Agency’s own use and account.

This investment and deposit policy (“Investment Policy”) is adopted by the Agency pursuant to the foregoing provisions of the Public Authorities Law and General Municipal Law and shall apply to all moneys and other financial resources available for investment on the Agency’s own behalf or, where applicable, on behalf of any other entity or individual.

This Investment Policy shall be applicable to the Erie County Industrial Development Agency and all of its affiliates, including: Buffalo and Erie County Regional Development Corporation (“RDC”); Buffalo and Erie County Industrial Land Development Corporation (“ILDC”) and such other affiliates as may hereafter be established by the Agency and which are determined to be subject to the requirements of Section 2925 of the Public Authorities Law (an “ECIDA Affiliate”) (hereinafter collectively referred to as the “Agency”) upon approval by the respective Boards of each corporation. Unless otherwise indicated, all references to the “Agency” herein shall also include the ECIDA Affiliates.

This Investment Policy is not intended to restrict the normal business activities of the Agency, which include the making of loans to, equity investments in, and/or project expenditures in private companies in furtherance of the corporate purposes of the forgoing entities.

ARTICLE II
Governing Principles

A. Investment Objectives.

The primary objectives of the Agency's investment policy are, in order of priority, as follows: (i) to conform with all applicable federal, state and local laws and legal requirements; (ii) to adequately safeguard principal; (iii) to provide sufficient liquidity to meet all operating requirements of the Agency; and (iv) to obtain a reasonable rate of return.

B. Diversification.

As the Agency is subject to the deposit and investment restrictions set forth in Sections 10 and 11 of the General Municipal Law, the opportunity to diversify among types of investments is limited. Subject to these legal restraints, however, the policy of the Agency is to diversify by investment instrument, by maturity and where practicable by financial institution.

C. Internal Controls.

1. All funds received by an officer or employee of the Agency shall be promptly deposited with the depositories designated by the Agency (pursuant to Article III.A of this Investment Policy) for the receipt of such funds.

2. Pursuant to Section 11(7) of the General Municipal Law, the Treasurer, Assistant Treasurer, Chief Financial Officer or Controller of the Agency shall maintain or cause to be maintained a proper record of all books, notes, securities or other evidence of indebtedness held by the Agency for investment and deposit purposes. Such record shall identify the security, the fund for which it is held, the place where kept, the date of sale or other disposition, and the amount received from such sale or other disposition.

3. The Agency is responsible for establishing and maintaining an internal control structure to provide reasonable, but not absolute, assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly, and are managed in compliance with applicable laws and regulations.

D. Authorized Financial Institutions and Dealers.

The Agency shall maintain a list of financial institutions and dealers approved for investment purposes and establish appropriate limits to the amount of investments that may be outstanding with each financial institution or dealer. All financial institutions with which the Agency conducts business must be creditworthy as determined by criteria established by the Treasurer, Assistant Treasurer, Chief Financial Officer or Controller of the Agency. All banks with which the Agency does business shall provide their most recent Consolidated Report of Condition (Call Report) at the request of the Agency. Security dealers not affiliated with a bank

shall be required to be classified as reporting dealers affiliated with the New York Federal Reserve Bank, as primary dealers.

E. Purchase of Investments.

The Agency may contract for the purchase of investments directly, including through a repurchase agreement, from an authorized trading partner. All purchased obligations, unless registered or inscribed in the name of the Agency, shall be purchased through, delivered to, and held in the custody of a bank or trust company. Such obligations shall be purchased, sold or presented for redemption or payment by such bank or trust company only in accordance with prior written authorization from the officer authorized to make the investment. All such transactions shall be confirmed in writing to the Agency by the bank or trust company shall be held pursuant to a written custodial agreement as described in Article IV.C.2 of this Policy.

F. Repurchase Agreements.

The Agency may enter into repurchase agreements subject to the following restrictions:

1. All repurchase agreements must be entered into subject to a Master Repurchase Agreement.
2. Trading partners are limited to commercial banks or trust companies authorized to do business in New York State and primary reporting dealers.
3. Obligations shall be limited to obligations of the United States of America and obligations guaranteed by agencies of the United States of America.
4. No substitution of securities will be allowed.
5. Obligations purchased pursuant to a repurchase agreement shall be held by a custodian other than the trading partner, pursuant to a written custodial agreement that complies the terms of Article IV.C.2 of this Policy.

ARTICLE III
Investments

A. General Policy.

It is the general policy of the Agency that funds not required for immediate expenditure shall be invested as described in Article III.B below. 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, net of fees, to be derived.

B. Permitted Investments.

The Treasurer, Assistant Treasurer, Chief Financial Officer and/or Controller are authorized to invest funds not required for immediate expenditure in the following investments permitted under Section 11 of the General Municipal Law:

1. Special time deposit accounts in, or certificates of deposit issued by any commercial bank or trust company that is located in and authorized to do business in New York State, provided that such deposit account or certificate of deposit is secured in the same manner as provided in Article IV.B of this Investment Policy and is payable within such time as the proceeds shall be needed to meet expenditures for which the funds were obtained;
2. Obligations of the United States of America;
3. 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;
4. Obligations of the State of New York; and
5. Such other obligations as may be permitted under Section 11 of the General Municipal Law.

All investments as provided in Sections B(2) through B(5) of this Article shall be payable or redeemable at the option of the Agency within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable or redeemable at the option of the Agency within two years of the date of purchase, and comply with such other requirements as set forth in Section 11 of the General Municipal Law.

ARTICLE IV
Deposits

A. Designation of Depositories.

The Agency shall, by resolution, designate one or more commercial banks or trust companies for the deposit of Agency funds received by the Agency. Such resolution shall specify the maximum amount that may be kept on deposit at any time with each bank or trust company. Such designations and amounts may be changed at any time by further resolution of the Agency.

B. Collateralization of Deposits.

In accordance with Section 10 of the General Municipal Law, all deposits of the Agency (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 as follows:

1. By a pledge of “eligible securities” with an aggregate “market value” as defined by Section 10 of the General Municipal Law, at least equal to the aggregate amount of deposits. A list of eligible securities is attached hereto as Schedule A.

2. By an irrevocable letter of credit issued by a qualified bank (other than the bank with which the money is being deposited or invested) in favor of the Agency for a term not to exceed ninety (90) days with an aggregate value equal to 140% of the aggregate amount of deposits and the agreed upon interest, if any. A qualified bank is one whose commercial paper and other unsecured short-term debt obligations are rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization or by a bank that is in compliance with applicable minimum risk-based capital requirements.

3. By an eligible surety bond payable to the Agency for an amount at least equal to 100% of the aggregate amount of deposits and the agreed upon interest, if any, executed by an insurance company authorized to do business in New York State, whose claims-paying ability is rated in the highest rating category by at least two nationally recognized statistical rating organizations. The terms and conditions of any eligible surety bond shall be subject to Agency Board approval.

4. By a pledge of a pro rata portion of a pool of eligible securities, having in the aggregate a market value at least equal to the amount of deposits from all such officers within the State at such bank or trust company, together with a security agreement from the bank or trust company.

5. By an irrevocable letter of credit issued in favor of the Agency by a federal home loan bank whose commercial paper and other unsecured short-term debt obligations are rated in the highest rating category by at least one nationally recognized statistical rating organization, as security for the payment of 100% of the aggregate amount of the deposits and the agreed upon interest, if any.

C. Safekeeping and Collateralization.

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

1. Security Agreement Requirements. The security agreement shall provide that eligible securities are being pledged to secure Agency 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 Agency to exercise its rights against the pledged securities. In the event that the securities are not registered or inscribed in the name of the Agency, such securities shall be delivered in a form suitable for

transfer or with an assignment in blank to the depository or its custodial bank.

2. Custodial Agreement Requirements. The custodial agreement shall provide that securities held by the bank or trust company, as agent of and custodian for the Agency, 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 custodial agreement should also describe that the custodian shall confirm the receipt, substitution or release of the securities. The custodial 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 Agency a perfected interest in the securities and may include such other terms as the Agency Board deems necessary.

ARTICLE V

Monitoring and Reporting Obligations

The following monitoring and reporting procedures shall be applicable in connection with the deposit and investment of funds subject to this Investment Policy:

A. Monthly Monitoring.

Each cash and investment account statement will be reviewed and reconciled on a monthly basis. The Treasurer, Assistant Treasurer, Chief Financial Officer or Controller will review each account reconciliation for accuracy and will investigate any unusual items noted.

B. Monitoring and Reporting.

Pursuant to Section 2925(5) of the Public Authorities Law, the Treasurer, Assistant Treasurer, Chief Financial Officer or Controller of the Agency shall present a report at each meeting of the Agency Board of Directors which will include the following information: (i) the cash and investment balances of the Agency; (ii) identification of any new investments since the last report; (iii) information concerning the selection of investment bankers, brokers, agents dealers or auditors since the last report; and (iv) the names of the financial institutions holding Agency deposits;.

C. Annual Monitoring and Reporting.

1. On an annual basis, the Agency will obtain an independent audit of its financial statements, which shall include an audit of its cash and investments and the Agency's compliance with this Investment Policy. The results of the independent audit shall be made available to the Agency Board at the time of its annual review of this Investment Policy.

2. Pursuant to Section 2925(6) of the Public Authorities Law, Agency staff shall, on an annual basis, prepare and submit for Agency Board approval an investment report which shall include this Investment Policy, amendments to the Investment Policy since the last

investment report, an explanation of the Investment Policy and any amendments, the results of the annual independent audit, the investment income record of the Agency and a list of the total fees, commissions or other charges paid to each investment banker, broker, agent, dealer and advisor rendering investment associated services to the Agency since the last investment report. The investment report will be distributed to those individuals identified in Section 2925(7)(b) of the Public Authorities Law. The Agency shall make available to the public copies of its investment report upon reasonable request therefor.

ARTICLE VI
Annual Review

This Investment Policy shall be reviewed and approved by the Agency Board of Directors on an annual basis.

ARTICLE VIII
Savings Clause

Nothing contained in Section 2925 of the Public Authorities Law shall be deemed to alter, affect the validity of, modify the terms of or impair any contract, agreement or investment of funds made or entered into by the Agency in violation of, or without compliance with the provisions of Section 2925 of the Public Authorities Law.

Re-adopted this 24th day of March 2021 by the respective Boards of each entity referenced above.

SCHEDULE A
ELIGIBLE SECURITIES

Obligations issued by the United States of America, an agency thereof or a United States government sponsored corporation or obligations fully insured or guaranteed as to the payment of principal and interest by the United States of America, an agency thereof or a United States government sponsored corporation.

Obligations issued or fully guaranteed by the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank and the African Development Bank.

Obligations partially insured or guaranteed by any agency of the United States of America, at a proportion of the Market Value of the obligation that represents the amount of the insurance or guaranty.

Obligations issued or fully insured or guaranteed by the State of New York, obligations issued by a municipal corporation, school district or district corporation or such State or obligations of any public benefit corporation which under a specific State statute may be accepted as security for deposit of public moneys.

Obligations issued by states (other than the State of New York) of the United States rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.

Obligations of Puerto Rico rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.

Obligations of counties, cities and other governmental entities of another state having the power to levy taxes that are backed by the full faith and credit of such governmental entity and rated in one of the three highest categories by at least one nationally recognized statistical rating organization.

Obligations of domestic corporations rated one of the two highest rating categories by at least one nationally recognized statistical rating organization.

Any mortgage related securities, as defined in the Securities Exchange Act of 1934, as amended, which may be purchased by banks under the limitations established by bank regulatory agencies.

Commercial paper and bankers' acceptances issued by a bank (other than the bank with which the money is being deposited or invested), rated in the highest short term category by at least one nationally recognized statistical rating organization and having maturities of not longer than sixty days from the date they are pledged.

Zero Coupon obligations of the United States government marketed as "Treasury STRIPS".

**Erie County Industrial Development Agency (“ECIDA”), Buffalo and
Erie County Regional Development Corporation (“RDC”), Buffalo
and Erie County Industrial Land Development Corporation
 (“ILDC”)**

FINANCE & AUDIT COMMITTEE CHARTER

In addition to the Erie County Industrial Development Agency, this Charter shall also serve as the charter for the Finance & Audit Committees of the Buffalo and Erie County Regional Development Corporation (“RDC”) and Buffalo and Erie County Industrial Land Development Corporation (“ILDC”) (hereinafter collectively referred to as the “Agency”) upon approval by the respective Boards of each corporation.

**ARTICLE I
Core Functions**

The core functions of the Finance & Audit Committee are set forth in the Bylaws and include: (i) providing assistance to members of the Agency in fulfilling their fiduciary responsibilities relating to accounting, reporting and regulatory compliance practices; (ii) maintaining, by way of regularly scheduled meetings, a direct line of communication between the members of the Agency and the Agency’s independent accountants and auditors to provide for exchanges of views and information; (iii) maintaining, as appropriate, a direct line of communication between the members of the Agency and the governmental authorities having audit authority or fiscal oversight of the Agency; (iv) approving the budget of the Agency for submission to the Board; (v) approving and/or directing the transfers of moneys under the budget; and (vi) recommending to the Board the level of cash reserves and the level of fund balances of the Agency.

**ARTICLE II
Composition**

Members of the Finance & Audit Committee shall be appointed in accordance with the Bylaws and, to the extent practicable, members of the Finance & Audit Committee should be familiar with corporate financial and accounting practices. The Board shall designate one member of the Finance & Audit Committee to serve as chair of the Finance & Audit Committee. Each member of the Finance & Audit Committee shall serve for a term of one (1) year and until his or her successor shall be appointed and qualified.

At least three members of the Finance & Audit Committee must be an “independent member” within the meaning of, and to the extent required by, Section 2825 of the New York Public Authorities Law, as amended from time to time. Finance & Audit Committee members shall be prohibited from being an employee of the Agency or an immediate family member of an

employee of the Agency. Members of the Finance & Audit Committee shall not engage in any private business transactions with the Agency or receive compensation from any private entity that has material business relationships with the Agency, or be an immediate family member of an individual that engages in private business transactions with the Agency or receives compensation from an entity that has material business relationships with the Agency. In addition, Finance & Audit Committee members who are members of the Agency shall comply with the conflict of interest provisions applicable to public officers under Article 18 of the New York General Municipal Law.

ARTICLE III
Committee Meetings

The Finance & Audit Committee will meet a minimum of twice each calendar year (at least once prior to the commencement of the annual audit process and once after completion of the annual audit process). Additional meetings may be necessary or appropriate to adequately fulfill the obligations and duties outlined in this Charter. All committee members are expected to attend each meeting, in person or via videoconference. The Finance & Audit Committee may invite other individuals, such as members of management, auditors or other technical experts to attend meetings and provide pertinent information, as necessary.

Meeting notices and agendas will be prepared for each meeting and provided to Finance & Audit Committee members by electronic or regular mail at least five (5) days in advance of the scheduled meeting. A quorum of the Finance & Audit Committee shall consist of a majority of the members then serving on the Finance & Audit Committee. The affirmative vote of a majority of the members then serving on the Finance & Audit Committee shall constitute an act of the Finance & Audit Committee. Minutes of all meetings shall be recorded by the Secretary or any Assistant Secretary of the Agency. All meetings shall comply with the requirements of the Open Meetings Law.

ARTICLE IV
Committee Responsibilities

The Finance & Audit Committee shall have responsibilities related to: (a) the independent auditor and annual financial statements; (b) oversight of management's internal controls, compliance and risk assessment practices; (c) special investigations and whistleblower policies; (d) miscellaneous issues related to the financial practices of the Agency; and (e) shall review proposals for the issuance of debt by the Agency and make recommendations regarding such proposed debt issuance.

A. Independent Auditors and Financial Statements

The Finance & Audit Committee shall:

(i) Recommend to the Board the hiring of independent auditors, establish the compensation to be paid to the auditors retained by the Agency and provide oversight of the audit services provided by the independent auditor.

(ii) Establish procedures for the engagement of the independent auditor to provide permitted audit services. The Agency's independent auditor shall be prohibited from providing non-audit services unless having received previous written approval from the Finance & Audit Committee. Non-audit services include tasks that directly support the Agency's operations, such as (a) bookkeeping or other services related to the accounting records or financial statements of the Agency; (b) financial information systems design and implementation; (c) appraisal or valuation services, fairness opinions, or contribution-in-kind reports; (d) actuarial services; (e) internal audit outsourcing services; (f) management functions or human resource services; (g) broker or dealer, investment advisor, or investment banking services; and (h) legal services and expert services unrelated to the audit function.

(iii) Review and approve the Agency's audited financial statements, associated management letter and all other auditor communications.

(iv) Review significant accounting and reporting issues, including complex or unusual transactions and management decisions, and recent professional and regulatory pronouncements, and understand their impact on the financial statements of the Agency.

(v) Meet with the Agency's independent auditor at least annually to discuss the financial statements of the Agency, and on an as-needed basis to discuss any significant issues that may have surfaced during the course of the audit.

(vi) Review and discuss any significant risks reported in the independent audit findings and recommendations and assess the responsiveness and timeliness of management's follow-up activities pertaining to the same.

B. Internal Controls, Compliance and Risk Assessment

The Finance & Audit Committee shall review management's assessment of the effectiveness of the Agency's internal controls and review the actions taken by management on the independent accountants' and auditors' suggestions for correcting weaknesses, if any, in the Agency's internal controls, regulatory compliance, organizational structure and operations, and if applicable, any weaknesses noted.

C. Special Investigations

The Finance & Audit Committee shall:

(i) Ensure that the Agency has an appropriate confidential mechanism for individuals to report suspected fraudulent activities, allegations of corruption, fraud, criminal activity, conflicts of interest or abuse by the directors, officers or employees of the Agency or any persons having business dealings with the Agency or breaches of internal control.

(ii) Develop procedures for the receipt, retention, investigation and/or referral of complaints concerning accounting, internal controls and auditing.

(iii) Request and oversee special investigations as needed and/or refer specific issues to the Board or appropriate committee of the Board for further investigation.

D. Other Responsibilities

The Finance & Audit Committee shall obtain information and training needed to enhance the committee members' understanding of the role of the independent auditor, the risk management process, internal controls and a certain level of familiarity in financial reporting standards and processes.

E. Debt Issuance

The Finance & Audit Committee shall review proposals for the issuance of debt and make recommendations regarding such proposed debt issuance.

ARTICLE V
Committee Reports

The Finance & Audit Committee shall:

A. report its actions and recommendations to the Board at each regular meeting of the Board following a meeting of the Finance & Audit Committee and when otherwise requested by the Board;

B. report to the Board, at least annually, regarding any proposed changes to this Charter;

C. provide a self-evaluation of the Finance & Audit Committee's functions to the Board on an annual basis; and

D. report to the Board on a periodic basis, at least annually, the findings of its independent auditors. These reports shall include careful consideration of the actions taken by management on the independent auditors' suggestions for correcting weaknesses, if any, in the Agency's internal controls, regulatory compliance, organizational structure and operations. These reports may include the adequacy of the audit effort by the Agency's independent auditors, the financial and regulatory compliance reporting decisions of management, the adequacy of disclosure of information essential to a fair presentation of the financial affairs and regulatory compliance efforts of the Agency, and the organization and quality of the Agency's system of management and internal accounting controls.

ARTICLE VI
Amendments

This Charter may be amended upon affirmative vote of a majority of the Board of the Agency.

Re-adopted this 24th day of March 2021 by the respective Boards of each corporation referenced above.

Erie County Industrial Development Agency

Credit Card Policy Effective June 15, 2015

Purpose: To establish the Policy and Procedures for the use of ECIDA corporate credit cards.

I. Introduction:

It is commonplace for organizations to use credit cards for the convenience of making purchases on behalf of the organization. In some instances, purchases can only be made via a credit card as manual checks are not accepted (i.e. hotel reservations, internet purchases). In order to simplify the process for purchasing certain items on behalf of the Erie County Industrial Development Agency (“ECIDA”), the following policy outlines the use of credit cards.

II. Authorization

A resolution will be presented to the board prior to the issuance of the credit card that authorizes

- The approval of the issuance of a credit card and the number and type(s) of credit cards to be used such as general purpose cards or vendor specific cards
- Identify all authorized users
- Set appropriate credit limits
- Establish custody of the cards when not in use
- The uses of the card
- The appropriate internal control structure for monitoring the use of the card
- The approval process for payment of the charges.
- Establish a means to recoup any unauthorized expenditures.

The use of an ECIDA credit card(s) shall be in accordance with, and is not intended to circumvent, the ECIDA’s Procurement Policy and/or the ECIDA’s Travel, Conference, Meals and Entertainment Policy.

The ECIDA shall be permitted to obtain and utilize a credit card(s) as so authorized by the resolution and preferably with the ECIDA’s primary bank. In addition to the ECIDA itself, the individuals authorized to be issued a card are listed on Schedule A, along with the credit limit authorized. Schedule A shall be updated as the individuals authorized and credit limits change. The credit cards will be issued to the specific individuals listed on Schedule A in order to help maintain accountability. Once issued, all cards are to be locked in the Treasurer’s lockbox when not in use. If an individual is no longer designated as a cardholder, and/or leaves ECIDA employment, the card issued to this individual will be cancelled. As determined by the resolution of the ECIDA, only authorized personnel of the ECIDA may be assigned and use the ECIDA Credit Card.

The audit and finance committee will evaluate the use of the cards on a yearly basis to determine the continued need for the card and the nature and type of purchases being made.

III. Use of Cards

All purchases made on the ECIDA's credit card must comply with the ECIDA's Procurement Policy and Travel, Conferences, Meals and Entertainment Policy. The ECIDA credit card may be used only for official business of the ECIDA to pay for actual and necessary expenses incurred in the performance of work-related duties for the ECIDA. The card may be used only for the following purchases:

- Hotel reservations
- Rental car reservations
- Training, conference, luncheons and seminar registrations
- Meals for meetings in which the vendor will not accept a check
- Internet purchases where a vendor will not accept a check

Personal expenses on the ECIDA's credit card are strictly prohibited. A credit card that allows cash advances or cash back from purchases is also prohibited. The card will be issued in the name and liability of the Erie County Industrial Development Agency with the name of the individual authorized on the card.

The employee issued the credit card is responsible for its protection and custody and shall immediately notify the Treasurer or Bookkeeper if the card is lost or stolen.

Employees must immediately surrender the ECIDA credit card upon termination of employment. The ECIDA reserves the right to withhold the final payroll check and payout of accrued leave until the card is surrendered.

IV. Recordkeeping

The use of the ECIDA credit card may be substantiated with a purchase order, receipts and documentation detailing the goods or services purchased, cost, date of the purchase and the official business explanation. Receipts and documentation must be submitted to the Bookkeeper following the purchase to reconcile against the monthly credit cards statement.

At the end of the each month, the Bookkeeper is to review the monthly card statement and reconcile it with the receipts and documentation received for that month. The bookkeeper should determine that all purchases are supported by documentation. Any variances are to be investigated. Any purchase/charge without appropriate supporting documentation requires a detailed explanation and description and the written approval of the Chief Executive Officer (or Board Chair in the case of CEO changes). Unauthorized or improper purchases will result in credit card revocation and discipline of the employee. The ECIDA shall also take appropriate action to recoup unauthorized or improper expenditures. Once the reconciliation is complete, the bookkeeper will initial the reconciliation to show it has been completed.

Once the credit card has been reconciled, payment via check will be made. All purchases made with the endeavor to do so credit cards shall be paid for within the grace period so that no interest charges or penalties will accrue.

Schedule A

Name	Title	Credit Limit Authorized
Mollie Profic	CFO	\$10,000

Re-adopted this 24th day of March 2021 by the Board of the Erie County Industrial Development Agency.

**Erie County Industrial Development Agency (ECIDA), Buffalo and Erie County
Regional Development Corporation (RDC), and Buffalo and Erie County
Industrial Land Development Corporation (ILDC)**

2020 Finance & Audit Committee Self-Evaluation

Responsibilities of the Finance & Audit Committee:

The core responsibilities of the Finance & Audit Committee, as mandated under Section 2825 of the New York Public Authorities Law, are set forth in the Bylaws and include: (i) providing assistance to members of the Agency in fulfilling their fiduciary responsibilities relating to accounting, reporting, and regulatory compliance practices; (ii) maintaining, through regular meetings, direct communication between the members of the Agency and the Agency’s independent accountants and auditors; (iii) maintaining direct communication between members of the Agency and the governmental authorities having audit authority or fiscal oversight of the Agency; (iv) approving the budget of the Agency for submission to the Board; (v) approving and/or directing the transfers of moneys under the budget; (vi) recommending to the Board the level of cash reserves and the level of fund balances of the Agency.

Finance & Audit Committee Self-Evaluation	Yes	No	Pending	Comments
1. Are the members of the Finance & Audit Committee appointed in accordance with the Bylaws and do individuals appointed to the Finance & Audit Committee possess the necessary skills to understand the duties and functions of the Finance & Audit Committee and are familiar with corporate financial and accounting practices?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
2. Is each member of the Finance & Audit Committee an “independent member” within the meaning of, and to the extent required by, Section 2825 of the New York Public Authorities Law, as amended from time to time? Did Finance & Audit Committee members, who are members of the Agency, comply with the conflict of interest provisions applicable to public officers under Article 18 of the New York General Municipal Law?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3. Did the Finance & Audit Committee meet a minimum of twice each calendar year?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Finance & Audit Committee met on 3/20/20, 8/18/20, 9/16/20, and 10/16/20.

Finance & Audit Committee Self-Evaluation	Yes	No	Pending	Comments
<p>4. Were meeting notices and agendas prepared for each meeting and provided to Finance & Audit Committee members by electronic or regular mail at least five (5) days in advance of the scheduled meeting? Were minutes of all meetings recorded by the Secretary or any Assistant Secretary of the Agency? Did all meetings comply with the requirements of the Open Meetings Law?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<p>5. Did the Finance & Audit Committee develop the Agency's audit practices, which should address independent auditors and financial statements; internal controls, compliance, and risk assessment; special investigations; and other responsibilities?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	See Questions #6-#10 below.
<p>6. Did the Finance & Audit Committee:</p> <p>(a) Recommend to the Board the appointment of independent auditors, establish the compensation to be paid to the auditors, and provide oversight of the audit services provided by the independent auditor?</p> <p>(b) Establish procedures for the engagement of the independent auditors to provide permitted audited services?</p> <p>(c) Review and approve the Agency's audited financial statements, associated management letter, and all other auditor communications?</p> <p>(d) Review significant accounting and reporting issues and understand their impact on the financial statements of the Agency?</p> <p>(e) Meet with the Agency's independent auditor at least annually to discuss the financial statements of the Agency and any issues that may have arisen during the audit?</p> <p>(f) Review and discuss any significant risks reported in the independent audit and assess the responsiveness of management's follow-up activities regarding same?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>In March of 2020, Freed Maxick completed audits of the ECIDA, RDC, and ILDC for the year ended 12/31/19. The auditors issued an unmodified (clean) opinion that the statements fairly presented the financial position of the above referenced corporations. The auditors also indicated that the audits did not uncover any material weaknesses in internal control and there were no instances of non-compliance in accordance with government auditing standards.</p>

Finance & Audit Committee Self-Evaluation	Yes	No	Pending	Comments
<p>7. Did the Finance & Audit Committee review management's assessment of the effectiveness of the Agency's internal controls and review the actions taken by management on the independent accountants' and auditors' suggestions for correcting weaknesses in the Agency's internal controls, regulatory compliance, and organizational structure and operations?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>Management's assessment of the effectiveness of internal controls was reviewed with the Committee at the March 2020 meeting. The March 2020 audit reports did not identify any internal control deficiencies or material weaknesses.</p>
<p>8. Did the Finance & Audit Committee:</p> <p>(a) Ensure that the Agency has a confidential mechanism for individuals to report suspected fraudulent activities, allegations of corruption, fraud, criminal activity, conflicts of interest by directors, officers, or employees of the Agency or anyone having business dealings with the Agency?</p> <p>(b) Develop procedures for the receipt, retention, investigation, or referral of complaints concerning accounting, internal controls, and auditing?</p> <p>(c) Request and oversee special investigations as needed or refer specific issues to the Board or appropriate committee for further investigation?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>The ECIDA adopted a Whistleblower Policy in March of 2012. The Policy describes the process for reporting suspected fraudulent activities and describes the protections afforded to individuals who report suspected fraudulent activities. The Policy was re-adopted by the Board of Directors on 3/25/20.</p>
<p>9. Did the Finance & Audit Committee obtain information and training needed to enhance the committee members' understanding of the role of the independent auditor, the risk management process, internal controls, and appropriate level of familiarity in financial reporting standards and processes?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>On 3/20/20, the Committee reviewed an article entitled, "The Strategic Audit Committee: A 2020 Preview" published by the Deloitte Center for Board Effectiveness.</p>

Finance & Audit Committee Self-Evaluation	Yes	No	Pending	Comments
<p>10. Did the Finance & Audit Committee:</p> <p>(a) Report its actions and recommendations to the Board?</p> <p>(b) Report to the Board at least annually regarding any changes to the Finance & Audit Committee Charter?</p> <p>(c) Provide a self-evaluation to the Board on an annual basis?</p> <p>(d) Report to the Board at least annually on the findings of its independent auditors?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>On 3/25/20, the Audit & Finance Committee reported on its activities to the ECIDA Board of Directors. These activities included the: (1) Audit & Finance Committee self-evaluation; (2) Audit & Finance Committee Charter; (3) draft 2019 financial statements audited by Freed Maxick, CPAs; (4) Corporate Credit Card Policy; (5) 2019 Public Authorities Annual Report; (6) Investment & Deposit Policy; and (7) 2019 Investment Reports.</p>

Finance & Audit Committee Self-Evaluation
<p>Other Self-Evaluation Notes</p> <p>In addition to the above:</p> <ul style="list-style-type: none"> • During its 3/9/20 meeting, the Committee reviewed drafts of the 2019 audited financial statements for the ECIDA, RDC, and ILDC. The Committee also reviewed the 2019 PAAA Annual Report, 2019 Investment Reports, Investment & Deposit Policy, Finance & Audit Committee Charter, Corporate Credit Card Policy, and the 2019 Finance & Audit Self-Evaluation. • During its 8/18/20 meeting, ECIDA staff discussed the ECIDA, RDC, and ILDC budget review process and the timelines for obtaining approval for those budgets. The Committee also reviewed drafts of the 2021 ECIDA, RDC, and ILDC operating and capital budgets and three-year forecasts. The Committee also voted to recommend a bond issuance for D'Youville College. • During its 9/16/20 meeting, the Committee voted to recommend a bond issuance for Related Affordable/Elmwood Square Apartments. The Committee also approved drafts of the 2021 ECIDA, RDC, and ILDC operating and capital budgets and three-year forecasts for recommendation to their respective Boards. In addition, the Committee approved an extension for Freed Maxick to provide auditing services to the ECIDA, RDC, and ILDC for the year ending 12/31/2020. • During the 10/16/20 meeting, Freed Maxick reviewed their 2020 Audit Plan for ECIDA, RDC, and ILDC.



Erie County Industrial Development Agency
Buffalo & Erie County Regional Development Corporation
Buffalo & Erie County Industrial Land Development Corporation

2020 Assessment of the Effectiveness of Internal Controls

Management of the Erie County Industrial Development Agency (ECIDA), Buffalo & Erie County Regional Development Corporation (RDC) and Buffalo & Erie County Industrial Land Development Corporation (ILDC) is responsible for establishing and maintaining adequate internal controls over financial reporting. The accounting, financial reporting and cash management functions rely on a system of controls outlined in the entities' Financial Policies & Procedures documentation. Internal controls are reviewed continuously, and adjustments are made as needed. Examples of key internal controls are:

- Payroll: The ECIDA's payroll is processed by a third-party processor, Paychex. The CFO and Bookkeeper verify that payments are only made to employees that are entitled to be paid. The RDC and ILDC have no direct employees, therefore there is no payroll. As a service organization Paychex, Inc. undergoes a Service Organization Controls (SOC) audit each year. Their most recent SOC 1 audit asserts that the internal controls in place at Paychex are operating effectively.
 - Risk = Low
- Cash Disbursements: Disbursements are made primarily by check and wire transfer. Invoices require approval by the purchaser prior to payment. During the COVID-19 pandemic, email approval of invoices is also considered as an acceptable form of approval. Invoices are reviewed by the Senior Accountant prior to processing by the Bookkeeper. Two signatures are required on all checks (CEO, VP, CFO or Assistant Treasurer). All wire transfers require dual approval. The CFO retrieves and reviews all bank statements and reviews all bank reconciliations. Reverse positive pay is used to verify all check disbursements when presented for payment. Only Finance Department staff have access to online banking sites.
 - Risk = Low
- Cash Receipts: Checks received are logged by the Receptionist and forwarded to the Senior Accountant. The Senior Accountant stamps checks "for deposit only", codes the checks and prepares deposits. The Bookkeeper deposits checks at the bank. The CFO reviews and initials deposit slips and deposit receipts and verifies proper account coding. The Bookkeeper records deposits in the general ledger software. Wire/ACH receipts are reviewed and coded by the CFO or Senior Accountant and are recorded in the general ledger software by the Bookkeeper.
 - Risk = Low

All computers are password protected and general ledger software is separately password protected. Access to the general ledger software is restricted to the CFO, Senior Accountant and Bookkeeper.

The ECIDA, RDC and ILDC undergo annual financial statement audits by an independent accounting firm, in accordance with Government Auditing Standards. While auditors are not engaged to perform an

audit of internal controls, the auditors do review and test internal controls as part of their audit procedures. There have been no material weaknesses or significant deficiencies in internal controls nor other management letter recommendations noted by the independent auditors.

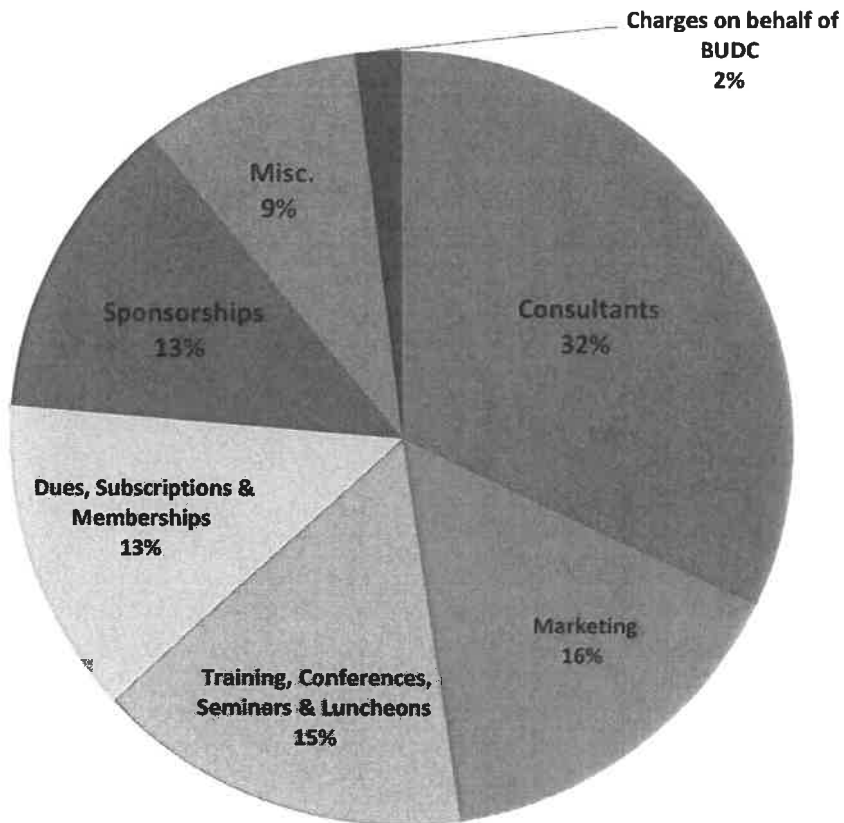
In summary, the present internal control structure appears to be sufficient to meet internal control objectives in preventing and detecting errors and irregularities.

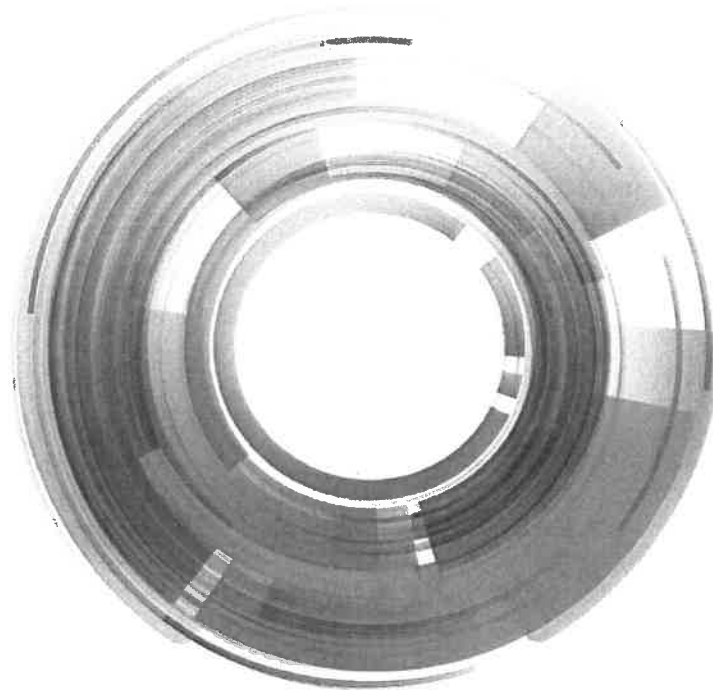
This statement certifies that the Erie County Industrial Development Agency, Buffalo & Erie County Regional Development Corporation and Buffalo & Erie County Industrial Land Development Corporation followed a process that assessed and documented the adequacy of its internal control structure and policies for the year ending December 31, 2020. To the extent that deficiencies were identified, the authority has developed corrective action plans to reduce any corresponding risk.

**Erie County Industrial Development Agency
Summary of Charges to Corporate Credit Card**

For statement period 3/6/2020 to 2/6/2021

Consultants	\$	4,999
Marketing		2,440
Training, Conferences, Seminars & Luncheons		2,415
Dues, Subscriptions & Memberships		2,062
Sponsorships		2,000
Misc.		1,396
Charges on behalf of BUDC		299
	\$	<u>15,610</u>





Center for Board Effectiveness

On the audit committee's agenda

The strategic audit committee: Navigating 2021

Introduction

It's been said a lot: 2020 was a difficult year. The effects of the COVID-19 pandemic have led to unprecedented economic conditions and continued uncertainty in the business environment. This has resulted in increased complexities and risks that may have long-term implications. Seemingly overnight, employees began working virtually, and boards and audit committees had to find new ways to engage with management and their auditors in order to effectively execute their oversight responsibilities.

As companies continue dealing with the impact of the pandemic, the audit committee's agenda and its processes will need to remain flexible to address issues and challenges as they arise. To provide effective oversight and help management navigate these challenging

times, audit committees need to ask direct, targeted questions to understand management's processes and decisions, as well as alternatives that were considered when addressing key issues.

We've been operating in this environment for three quarters and have learned much. Audit committees will continue to face an expanding agenda, and prioritization will be critical. While the role of the audit committee is vast, this publication focuses on two areas of oversight that may be critical for audit committees in the upcoming year: financial reporting and internal controls, and risk. Our focus is on providing a set of topics and additional resources for audit committees to consider as they manage their 2021 activities. >

Financial reporting and internal controls

Audit committees play a critical role in overseeing financial reporting and internal controls. Continued uncertainty in the business environment, combined with increasing complexities and risk, requires a high degree of judgment for many companies as they report their results. The pandemic introduced additional uncertainty into the various judgments and estimates included in financial statements. Additionally, the work-from-home environment required companies to modify or implement new internal controls that need to be reviewed in conjunction with financial reporting.

Although aspects of the internal control environment may have changed during the pandemic, the Sarbanes-Oxley Act's requirement for effective internal control over financial reporting (ICFR) has not, and regulators continue to emphasize the importance of ICFR. Accordingly, companies should not lose sight of what is appropriate for maintaining effective ICFR.

The audit committee's role in overseeing financial reporting and internal controls remains critical. As they perform their responsibilities in this area, topics to consider discussing with management and the auditors include:

- Forecasts and related impairment analyses
- Reg S-K modifications to MD&A, selected financial data, and supplementary financial information
- New or modified internal controls
- Going concern assessment
- Non-GAAP measures
- Stakeholder communications, including SEC filings and earnings releases



Additional featured resources

[On the audit committee's agenda | Year-end accounting and financial reporting considerations: Questions for audit committees to consider](#) (December 2020)

[Heads Up | SEC Modernizes MD&A and Related Financial Disclosure Requirements](#) (November 2020)


[The Center for Audit Quality | 2020 Audit Committee Transparency Barometer](#) (October 2020)

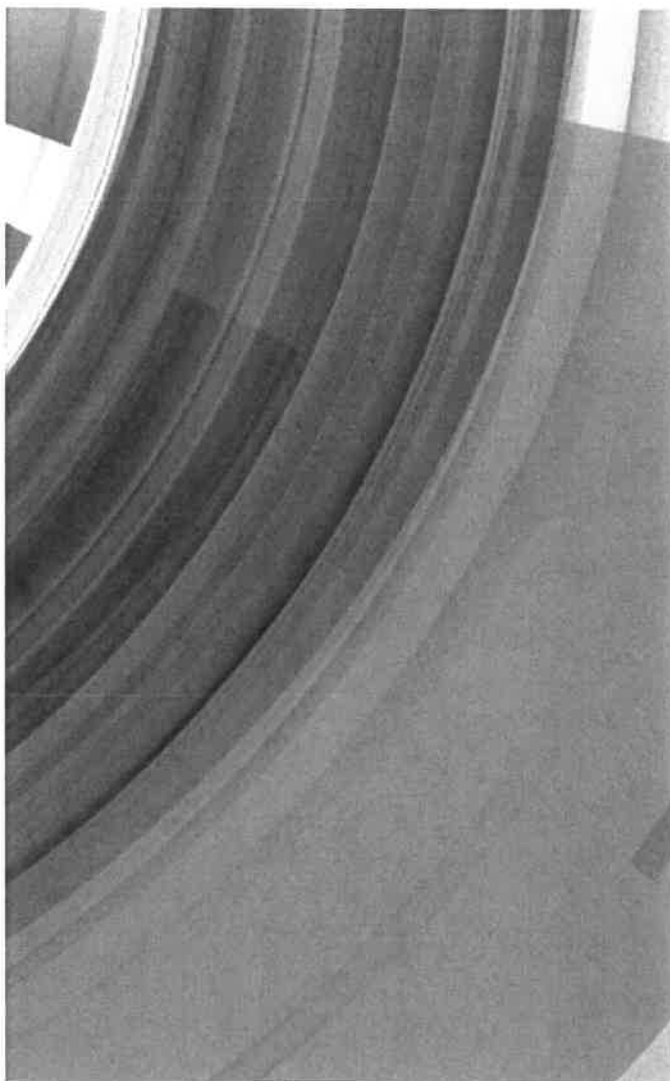
[Global Audit Committee Survey | Internal audit: Soaring through turbulent times](#) (September 2020)

[The Center for Audit Quality | The Role of Auditors in Non-GAAP Financial Measures and Key Performance Indicators: Present and Future](#) (September 2020)

Risk oversight

Given the volatility of the risk environment during the pandemic, it's more important than ever for boards and audit committees to understand management's process for managing risk, including how it identifies and assesses emerging and strategic risks. Risk is never the responsibility of a single individual or group, which is why it's critical for the audit committee to work with the board to allocate oversight of key risks across the full board and its committees.


Audit committees play a significant role in setting the tone around the importance of risk management and in understanding the infrastructure and related policies that govern an effective risk management program. The committee should understand how management continually senses and refreshes key risks, especially in an environment where disruption seems to be the norm. Additionally, the audit committee should understand how new risks are included on the company's risk map, who the risk owner is, and how risks are captured in disclosures. 



Finally, the audit committee should approach meeting agendas with a risk lens, prioritizing discussions with regard to risk oversight and making sure key risks are on the agenda. Beyond financial reporting risks, some of the highest-priority risks for audit committee oversight may include:

- Cyber risk
- Fraud risk
- Extended-enterprise risk
- Ethics and compliance
- Regulatory changes
- Environmental, social, and governance risk (ESG)



 **Additional featured resources**

[The Shifting Role of The Audit Committee in Working with Management to Effectively Oversee Risk](#) (as published in FEI Daily in January 2021)

[On the board's agenda | Cyber: New challenges in a COVID-19-disrupted world](#) (November 2020)

[Center for Audit Quality | The Role of Auditors in Company-Prepared Information: Present and Future](#) (September 2020)

[Heads Up | #DeloitteESGNow—Human Capital Measures Up](#) (December 2020)

[On the audit committee's agenda | Defining the role of the audit committee in overseeing ESG](#) (November 2020)

[Purpose-driven Business Reporting in Focus—Progress towards a comprehensive corporate reporting system](#) (September 2020)

[Heads Up | #DeloitteESGNow—Enhancing Trust in ESG Disclosures](#) (September 2020)

[The Anti-Fraud Collaboration | Skepticism in Practice](#) (September 2020)

Conclusion

The role of the audit committee has always been challenging and is unlikely to become easier in 2021. Whether dealing with the priorities discussed here or others the audit committee may face, it all comes down to execution. It's critical for audit committees to have processes and procedures in place to support its activities in times of calm and crisis.

The [Deloitte Governance Framework](#) provides four attributes to consider with regard to overall effectiveness: skills and knowledge, process, information, and behavior. These attributes can be useful as audit committees plan and prepare for the challenges in front of them in 2021. When considering how well-positioned they are to deal with these challenges, audit committees may want to ask the following questions, which are aligned to the four attributes:

- Do the members of the audit committee have the appropriate skills and knowledge to effectively execute their responsibilities?
- Does the audit committee's meeting frequency, structure, and format provide adequate time and flexibility for the committee to carry out its responsibilities, particularly in the mostly virtual world we're operating in today?
- Does the audit committee receive appropriate information from management, its internal and external auditors, and outside parties to be adequately informed for discussions?
- Are audit committee agendas structured to focus on key risks and priorities while allowing flexibility to address emerging risks and issues?
- Are audit committee meetings run in a manner that facilitates candid, open discussions and allows for healthy debate?

While we all may want to put 2020 behind us, 2021 will have its own challenges. Audit committees play an important oversight role for investors and other stakeholders. The committee's ability to effectively manage their calendars and agendas and prioritize the most critical financial reporting, risk, and other topics can help companies better navigate what lies ahead. ➤

Authors



Maureen Bujno
Managing Director and
Audit & Assurance Governance Leader
Center for Board Effectiveness
Deloitte & Touche LLP
mbunjo@deloitte.com



Krista Parsons
Managing Director and
Audit Committee Programs Leader
Center for Board Effectiveness
Deloitte & Touche LLP
kparsons@deloitte.com

Contact us



Carey Oven
National Managing Partner
Center for Board Effectiveness
Chief Talent Officer, Risk & Financial Advisory
Deloitte & Touche LLP
coven@deloitte.com



Audrey Hitchings
Managing Director
Executive Networking
Deloitte Services LP
ahitchings@deloitte.com



Debbie McCormack
Managing Director
Center for Board Effectiveness
Deloitte LLP
dmccormack@deloitte.com

About this publication

This publication contains general information only and Deloitte is not, by means of this publication, rendering accounting, business, financial, investment, legal, tax, or other professional advice or services. This publication is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional adviser. Deloitte shall not be responsible for any loss sustained by any person who relies on this publication.

About the Center for Board Effectiveness

Deloitte's Center for Board Effectiveness helps directors deliver value to the organizations they serve through a portfolio of high quality, innovative experiences throughout their tenure as board members. Whether an individual is aspiring to board participation or has extensive board experience, the Center's programs enable them to contribute effectively and provide focus in the areas of governance and audit, strategy, risk, innovation, compensation, and succession.

About Deloitte

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. In the United States, Deloitte refers to one or more of the US member firms of DTTL, their related entities that operate using the "Deloitte" name in the United States and their respective affiliates. Certain services may not be available to attest clients under the rules and regulations of public accounting. Please see www.deloitte.com/about to learn more about our global network of member firms.

Copyright © 2021 Deloitte Development LLC. All rights reserved.