

Buffalo and Erie County Industrial Land Development Corporation
Meeting of the Membership
March 23, 2022 @ 12:30 p.m.



Via Conference Call & Livestreaming

1.0 Call to Order

2.0 Approval of Minutes

- 2.1 Approval of the February 23, 2022 Minutes of the Meeting of the Membership (Action Item) (Pages 2-4)

3.0 Reports / Action Items / Information Items:

- 3.1 Financial Report (Informational) (Pages 5-8)
3.2 Finance & Audit Committee Update (Informational) (Pages 9-10)
a) Committee Self-Evaluation (Informational) (Pages 11-15)
3.3 Audited Financial Statements (Action Item) (Pages 16-44)
3.4 2021 – Investment Report (Action Item) (Pages 45-47)
3.5 Governance Committee Report (Informational) (Pages 48-49)
a) Committee Self-Evaluation (Informational) (Pages 50-54)
b) Board of Directors Evaluation/Survey (Informational) (Pages 55-57)
3.6 ILDC Loan Status Report (Informational) (Page 58)
3.7 Agreement to Authorize Execution and Delivery of Community Development Block Grant Sub-Recipient Agreement (Pages 59-61)

4.0 Review and Adoption of Policies, Reports and Committee Charters: (Separate Package)

1. 2021 - Mission Statement, Performance Measures and Results (Action Item) (Pages 2-15)
2. 2022 - Mission Statement and Performance Measures (Action Item) (Pages 16-24)
3. 2021 - Public Authorities Report (Action Item) (Pages 25-92)
4. Fee Structure Policy (For ECIDA & ILDC Only) (Action) (Page 93)

Re-Adopt Policies & Charters

5. Board Member Compensation, Reimbursement & Attendance Policy (Action Item) (Page 94).
6. Code of Ethics & Conflict of Interest Policy (Action Item) (Pages 95-100)
7. Corporate Credit Card Policy (Action Item) (Pages 101-103)
8. Defense & Indemnification Policy (Action Item) (Page 104)
9. Employee Compensation Program (Action Item) (Pages 105-106)
10. Finance & Audit Committee Charter (Action Item) (Pages 107-111)
11. Governance Committee Charter (Action Item) (Pages 112-114)
12. Investment & Deposit Policy (Action Item) (Pages 115-122)
13. Procurement Policy (Action Item) (Pages 123-127)
14. Property Disposition Guidelines (Action Item) (Pages 128-134)
15. Real Property Acquisition Policy (Action Item) (Pages 135-136)
16. Sexual Harassment Policy (Action Item) (Pages 137-145)
17. Statement of Duties & Responsibilities of the Board of Directors (Action Item) (Pages 146-148)
18. Statement of the Competencies & Personal Attributes Required of Board Members (Action Item) (Page 149)
19. Travel, Conferences, Meals & Entertainment Policy (Action Item) (Pages 150-155)
20. Whistleblower Policy and Procedures (Action Item) (Pages 156-158)

5.0 Management Team Reports:

- 5.1 2021 Year in Review

6.0 Adjournment- Next Meeting April 27, 2022 (Annual Meeting)

**MINUTES OF THE MEETING
OF THE BOARD OF DIRECTORS
OF THE
BUFFALO AND ERIE COUNTY
INDUSTRIAL LAND DEVELOPMENT CORPORATION
(ILDC)**

- DATE:** February 23, 2022
- LIVE STREAMED:** This Board meeting is being live-streamed and made accessible on the Erie County Industrial Development Agency website at www.ecidany.com.
- PRESENT:** Denise Abbott, Hon. Howard Johnson, Richard Lipsitz, Jr., Hon. Mark C. Poloncarz and Hon. Maria Whyte
- EXCUSED:** Hon. Byron W. Brown and Hon. April Baskin
- OTHERS PRESENT:** John Cappellino, President & CEO; Mollie Profic, Chief Financial Officer/Assistant Secretary; Beth O’Keefe, Vice President of Operations; Atiqah Abidi, Assistant Treasurer; Gerald Manhard, Chief Lending Officer/Assistant Secretary; Grant Lesswing, Business Development Officer; Andrew Federick, Business Development Officer; Brian Krygier, Director of Information Technology; Carrie Hocieniec, Operations Assistant; Robbie Ann McPherson, Director of Marketing & Communications, Sean Fallon, Project Manager; Pat Smith, Senior Bookkeeper; and Robert G. Murray, Esq., General Counsel/Harris Beach PLLC
- GUESTS:** None.

There being a quorum present at 12:38 p.m., the Meeting of the Board of Directors of the Buffalo and Erie County Industrial Land Development Corporation was called to order by Chair Poloncarz.

MINUTES

Ms. Abbott moved and Mr. Lipsitz seconded to approve of the January 26, 2022 minutes. Mr. Poloncarz called for the vote and the minutes were unanimously approved.

REPORTS / ACTION ITEMS / INFORMATION ITEMS

Financial Report. Ms. Profic presented the January 2022 financial report. The balance sheet shows the month ended with total assets of \$17.6M and fund balance of \$7.9M. The major asset categories are grants receivable, capital assets (property owned) and cash. \$2M of cash at year-end includes \$1.4M of grant revenue advanced by ESD under the Buffalo Billion II grant agreements. The majority of this cash is designated for the purchase of the second phase of land at the RCP property and work on the planning/engineering/road construction at RCP. ILDC ended 2021 with net income of \$820,000. This was a result of \$715,000 of grant revenue recognized from ESD that was used to purchase the first portion of Phase II in Lackawanna. The property was capitalized as an asset on the balance sheet, not expensed. There was also \$560,000 of grant revenue from Erie County for the Microloan program. Those funds were lent to borrowers, so are included on the balance sheet, not expensed. There will be more to come when the 2021 audited financial statements are presented on March 23.

At the end of January, ILDC's total assets were \$17.5M, a slight decrease from the end of December. Total liabilities at the end of January were \$9.7M, mainly \$9.2M of deferred grant income. The January income statement shows \$133,000 of revenue, \$110,000 of expenses, and \$69,000 of special project expenses, netting to a (\$46,000) net loss in January. The Buffalo Niagara Medical Campus bond approved by the Board in January closed soon after the meeting, representing \$100,000 of fee income passed through to ECIDA under the shared services agreement between the two entities. The year-to-date income statement is the same at this point, but also includes a comparison to January 2021. Mr. Poloncarz directed that the report be received and filed.

Governance Committee. Ms. O'Keefe presented a review of the most recently completed governance committee meeting. Mr. Poloncarz directed that the report be received and filed.

ILDC Loan Status Report. Mr. Manhard provided this report to members. Mr. Poloncarz directed that the report be received and filed.

Approval of Purchase Sale Agreement for Parcel II-11 at Renaissance Commerce Park. Mr. Cappellino provided background of the ILDC RFP for construction of a manufacturing and warehousing facility at the Renaissance Commerce Park and response received thereto by Uniland to purchase Parcel II-8, and to construct an approximately 150,000+/- sq. ft. spec manufacturing and warehousing facility thereon, and a related option granted by the ILDC to Uniland to purchase adjacent Parcel II-11, and to also construct an approximately 150,000+/- sq. ft. manufacturing and warehousing facility thereon. Uniland is now exercising its option to purchase Parcel II-11 and to then construct the aforementioned approximately 150,000+/- sq. ft. spec manufacturing and warehousing facility.

Ms. Whyte expressed support for the conveyance and noted the risk Uniland is taking without otherwise having secured a tenant to support construction of the facility.

Ms. Whyte moved and Mr. Lipsitz seconded to approve of the sale and the resolution. Mr. Poloncarz then called for the vote and the following resolution was unanimously approved:

RESOLUTION OF THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION (THE "ILDC") AUTHORIZING THE ILDC TO (i) NEGOTIATE, EXECUTE, AND DELIVER AN AGREEMENT OF PURCHASE AND SALE TO BE ENTERED INTO WITH UNILAND DEVELOPMENT COMPANY TO SELL ILDC PARCEL II-11 (AS MORE FULLY DEFINED BELOW); (ii) TO EXECUTE AND DELIVER A BROWNFIELD SITE CLEANUP AGREEMENT AMENDMENT WITH RESPECT TO ILDC PARCEL II-11; AND (iii) MAKE A DETERMINATION PURSUANT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT

Mr. Poloncarz thanked ILDC for its efforts, noting the vision for RCP is coming into view.

There being no further business to discuss, Mr. Poloncarz adjourned the meeting at 12:54 p.m.

Dated: February 23, 2022

Gerald Manhard, Assistant Secretary

Industrial Land Development Corp.

Financial Statements

As of February 28, 2022

INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")

Balance Sheet

February 28, 2022

	February 2022	January 2022	December 2021
ASSETS:			
Restricted Cash *	\$ 1,938,989	\$ 1,945,980	\$ 2,036,777
Grants Receivable	7,653,095	7,653,095	7,653,095
Loans Receivable, net	660,088	663,692	666,711
Prepaid Expenses	31,500	31,500	-
Prepaid Acquisition Costs	688,381	688,095	688,095
Total Loan Assets	<u>10,972,052</u>	<u>10,982,362</u>	<u>11,044,678</u>
Capital Assets	6,547,744	6,546,068	6,546,068
 Total Assets	 <u>\$ 17,519,796</u>	 <u>\$ 17,528,430</u>	 <u>\$ 17,590,746</u>
LIABILITIES & NET ASSETS:			
Accounts Payable	\$ 5,345	\$ 5,834	\$ 22,740
Due to/(from) ECIDA	478,191	468,171	458,111
Other Liabilities	9,237,967	9,237,967	9,246,959
Total Liabilities	<u>9,721,503</u>	<u>9,711,972</u>	<u>9,727,810</u>
Restricted Fund Balance	<u>7,798,293</u>	<u>7,816,458</u>	<u>7,862,936</u>
Total Liabilities & Net Assets	<u>\$ 17,519,796</u>	<u>\$ 17,528,430</u>	<u>\$ 17,590,746</u>

Loan Portfolio Summary:	February 2022	January 2022	December 2021
# of Loans	<u>23</u>	<u>22</u>	<u>22</u>

* Cash is invested in interest bearing accounts at M&T Bank.
The maximum FDIC insured amount is \$250,000 with the remainder collateralized with government obligations by the financial institution.

INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")

Income Statement Month of February 2022

	Actual vs. Budget		
	Actual	Budget	Variance
REVENUES:			
Interest Income - Loans	\$ 484	\$ 483	\$ 1
Interest Income - Cash & Inv.	7	8	(1)
Grant Income - Microloan Program	-	-	-
Proceeds from (Cost of) Land Sales	-	20,833	(20,833)
Other Income	600	-	600
Total Revenues	1,091	21,325	(20,233)
EXPENSES:			
Management Fee - ECIDA	\$ 10,000	\$ 10,000	\$ -
Provision for Loan Losses	-	-	-
Professional Services	1,918	5,417	(3,499)
General Office Expenses	-	17	(17)
Other Expenses	20	2,748	(2,728)
Total Expenses	11,938	18,181	(6,243)
SPECIAL PROJECT GRANTS:			
Industrial Land Park - ESD	-	291,875	(291,875)
Industrial Land Park - ECIDA	-	8,333	(8,333)
Angola Ag Park - ECIDA Grant	-	8,333	(8,333)
Other grant revenue	-	50,612	(50,612)
Industrial Land Park costs	(7,165)	(303,958)	296,793
Angola Ag Park costs	(153)	(8,333)	8,180
Other grant expenses	-	(51,779)	51,779
	(7,318)	(4,917)	(2,402)
NET INCOME/(LOSS):	\$ (18,165)	\$ (1,773)	\$ (16,391)

* Represents an allocation of salary and benefit costs from the ECIDA based on time charged to ILDC. The amount booked is currently based on budget.

INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")

Income Statement

Year to Date: February 28, 2022

	Actual vs. Budget			Actual vs. Prior Year		
	Actual	Budget	Variance	Actual	Prior Year	Variance
REVENUES:						
Interest Income - Loans	\$ 929	\$ 967	\$ (37)	\$ 929	\$ 117	\$ 812
Interest Income - Cash & Inv.	16	17	0	16	85	(69)
Grant Income - Microloan Program	-	-	-	-	-	-
Proceeds from (Cost of) Land Sales	-	41,667	(41,667)	-	-	-
Other Income	133,450	-	133,450	133,450	1,500	131,950
Total Revenues	134,395	42,650	91,746	134,395	1,702	132,693
EXPENSES:						
Management Fee - ECIDA	\$ 120,000	\$ 20,000	100,000	\$ 120,000	\$ 10,000	\$ 110,000
Provision for Loan Losses	-	-	-	-	3,203	(3,203)
Professional Services	1,815	10,833	(9,018)	1,815	441	1,374
General Office Expenses	441	33	408	441	129	312
Other Expenses	80	5,496	(5,416)	80	-	80
Total Expenses	122,336	36,363	85,974	122,336	13,774	108,562
SPECIAL PROJECT GRANTS:						
Industrial Land Park - ESD	-	583,750	(583,750)	-	-	-
Industrial Land Park - ECIDA	-	16,667	(16,667)	-	29,621	(29,621)
Angola Ag Park - ECIDA Grant	-	16,667	(16,667)	-	11,743	(11,743)
Other grant revenue	8,992	101,224	(92,232)	8,992	48,960	(39,968)
Industrial Land Park costs	(74,499)	(607,917)	533,417	(74,499)	(78,641)	4,142
Angola Ag Park costs	(2,203)	(16,667)	14,464	(2,203)	(11,743)	9,540
Other grant expenses	(8,992)	(103,557)	94,565	(8,992)	-	(8,992)
	(76,702)	(9,833)	(66,868)	(76,702)	(60)	(76,642)
NET INCOME/(LOSS):						
	\$ (64,643)	\$ (3,546)	\$ (61,096)	\$ (64,643)	\$ (12,132)	\$ (52,511)

* Represents an allocation of salary and benefit costs from the ECIDA based on time charged to ILDC. The amount booked is currently based on budget.



To: ECIDA, RDC & ILDC Boards of Directors
From: Michael Szukala, Chair
Date: March 23, 2022
Re: Finance & Audit Committee Report

In accordance with its Committee Charter, the Finance & Audit Committee is required to “report its actions and recommendations to the Board at each regular meeting of the Board following a meeting of the Finance and Audit Committee and when otherwise requested by the Board”. This report is prepared to satisfy this requirement.

A joint meeting of the ECIDA, RDC & ILDC Finance & Audit Committee was held on March 16, 2022. Committee members present were: Michael Szukala, Chair, Penny Beckwith, Allison DeHoney, Brian Kulpa, Glenn Nellis, Paul Vukelic, and William Witzleben. The following items were reviewed:

- 1) Freed Maxick CPAs Report including Draft 2021 Audited Financial Statements
The Agency’s auditors presented the Draft 2021 Audited Financial Statements for ECIDA, RDC, and ILDC (copies of which are included in respective Board packages).
 - The independent auditors expressed an unmodified (clean) opinion on the financial statements of all entities. This type of opinion indicates that the financial statements present fairly, in all material respects, the financial position of the corporations as of December 31, 2021 and the changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.
 - No uncorrected audit adjustments were noted.
 - No significant deficiencies or material weaknesses in internal controls noted.
- 2) Public Authorities Accountability Act (PAAA) 2021 Annual Report
The joint Finance & Audit Committee reviewed the PAAA 2021 Annual Report required under the Public Authorities Law and recommended that it be approved by their respective Boards.
- 3) 2021 Investment Reports
The joint Finance & Audit Committee reviewed the 2021 Investment Reports, which are required under the Public Authorities Law and recommended that they be approved by their respective Boards.
- 4) Investment and Deposit Policy (Re-adoption)
The joint Finance & Audit Committee reviewed the Investment and Deposit Policy and recommended that it be approved by their respective Boards.
- 5) Finance & Audit Committee Charter (Re-adoption)
The joint Finance & Audit Committee reviewed the joint Committee Charter and recommended that it be approved by their respective Boards.
- 6) Corporate Credit Card Policy (Re-adoption)
The joint Finance & Audit Committee approved the Corporate Credit Card policy and reviewed the card activity over the past year as required by the policy.
- 7) Finance & Audit Committee Self-Evaluation
The joint Finance & Audit Committee approved a report that documents the Committee’s activities for 2021 as required under the Public Authorities Law.

- 8) The Committee reviewed Management's Assessment of the Effectiveness of Internal Controls, a document prepared by management based on internal control processes and procedures of the organization. The document will be posted on the website as required by the ABO.
- 9) The Committee reviewed a document entitled "What's on the horizon for 2022?" by Deloitte's Center for Board Effectiveness to satisfy the educational requirements set forth in the Finance & Audit Committee Charter.
- 10) The Committee was presented a report of the corporate credit card usage over the past 12 months in accordance with the Corporate Credit Card Policy.

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

2021 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	Pen ding	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 3/17/21, 4/19/21, 8/18/21, 9/14/21, and 12/14/21.

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 2021, Freed Maxick completed audits of the ECIDA, RDC, and ILDC for the year ended 12/31/20. The auditors issued unmodified (clean) opinions 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
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?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Management's assessment of the effectiveness of internal controls was reviewed with the Committee at the March 2021 meeting. The March 2021 audit reports did not identify any internal control deficiencies or material weaknesses.
8. Did the Finance & Audit Committee: (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? (b) Develop procedures for the receipt, retention, investigation, or referral of complaints concerning accounting, internal controls, and auditing? (c) Request and oversee special investigations as needed or refer specific issues to the Board or appropriate committee for further investigation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	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 3/24/21.
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?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	On 3/17/21, the Committee reviewed an article entitled, "The Strategic Audit Committee: Navigating 2021" published by the Deloitte Center for Board Effectiveness.

Finance & Audit Committee Self-Evaluation	Yes	No	Pen ding	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>The Committee reported its actions and recommendations to the Board following each meeting. On 3/24/21, 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 2020 financial statements audited by Freed Maxick, CPAs; (4) Corporate Credit Card Policy; (5) 2020 Public Authorities Annual Report; (6) Investment & Deposit Policy; and (7) 2020 Investment Reports.</p>

Finance & Audit Committee Self-Evaluation

Other Self-Evaluation Notes

In addition to the above:

- During its 3/17/21 meeting, the Committee reviewed drafts of the 2020 audited financial statements for the ECIDA, RDC, and ILDC. The Committee also reviewed the 2020 PAAA Annual Report, 2020 Investment Reports, Investment & Deposit Policy, Finance & Audit Committee Charter, Corporate Credit Card Policy, and the 2020 Finance & Audit Committee Self-Evaluation.
- During its 4/19/21 meeting, the Committee voted to recommend a bond refunding for the Joint Schools Construction Board.
- During its 8/18/21 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 2022 ECIDA, RDC, and ILDC operating and capital budgets and three-year forecasts. The Committee also voted to approve an extension for Freed Maxick to provide auditing services to the ECIDA, RDC, and ILDC for the year ending 12/31/21.
- During its 9/16/20 meeting, the Committee voted to recommend insurance brokers following an RFQ for insurance brokerage services. The Committee also approved drafts of the 2022 ECIDA, RDC, and ILDC operating and capital budgets and three-year forecasts for recommendation to their respective Boards.
- During its 12/14/21 meeting, Freed Maxick reviewed their 2021 Audit Plan for ECIDA, RDC, and ILDC. The Committee also voted to recommend a bond issuance for Buffalo Niagara Medical Campus.

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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, 2021

DRAFT

XXXXX, 2022

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, 2021. 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.

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Required Communications

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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 4, 2022. 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 Management has the ultimate responsibility for the appropriateness of the accounting policies used by ECIDA/ILDC/RDC. The ECIDA/ILDC/RDC did not adopt any significant new accounting policies nor have there been any changes in significant existing policies during the current period. 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. 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.

Area	Comments
Audit Adjustments	There were no audit adjustments made to the original trial balances presented to us to begin our audit, other than those that are clearly trivial.
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.

**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, 2021**

DRAFT

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. Due to a lack of collection history, management has established a 10% allowance on all loans issued with funds available from the CARES Act.	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. A 10% estimate is applied to the total balance in loan receivables at year-end for all CARES Act EDA loans issued.	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.

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. 96, *Subscription-Based Information Technology Arrangements*

This Statement issued in May 2020 will be effective for the ECIDA beginning with its fiscal year ending December 31, 2023. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

This Statement establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability. To the extent relevant, the standards for SBITAs are based on the standards established in GASB Statement No. 87, *Leases*, as amended.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

XXXX, 2022

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), as of and for the year ended December 31, 2021, 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.

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

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**AUDITED
FINANCIAL STATEMENTS**

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

DECEMBER 31, 2021

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BUFFALO & ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION

Management's Discussion and Analysis

December 31, 2021
(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 expending 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 a 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, 2021, 2020 and 2019. We encourage readers to consider the information presented here in conjunction with ILDC's audited financial statements.

In 2021 the ILDC continued to move forward in developing brownfield property at the former Bethlehem Steel site (now known as Renaissance Commerce Park) in Lackawanna, NY, and the former Angola Airport site in Evans, NY. ILDC completed the first part of the Phase II land purchase in Lackawanna and began the Master Planning/GEIS process in Evans. Erie County continued to make adjustments to the Microenterprise Loan/Grant Program in response to the COVID-19 pandemic.

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 12% from \$7,043,000 in 2020 to \$7,863,000 in 2021.
- ILDC experienced an increase in net position of \$820,000 in 2021 compared to an increase of \$783,000 in 2020.
- Operating revenues decreased 135% from \$390,000 in 2020 to (\$135,000) in 2021.
- Operating expenses decreased 46% from \$667,000 in 2020 to \$360,000 in 2021.

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, 2021, 2020 and 2019
(Amounts in thousands)

	<u>2021</u>	<u>2020</u>	<u>\$ Change</u>	<u>% Change</u>	<u>2019</u>
Assets:					
Cash	\$ 2,037	\$ 1,945	\$ 92	5%	\$ 208
Grants receivable	7,653	514	7,139	1389%	1,919
Loans receivable, net	667	36	631	1753%	37
Other assets	1	2	(1)	-50%	283
Land held for sale	7,233	6,900	333	5%	5,860
Total assets	\$ 17,591	\$ 9,397	\$ 8,194	87%	\$ 8,307
Liabilities:					
Accounts payable	\$ 23	\$ 33	\$ (10)	-30%	\$ 9
Due to affiliate	458	283	175	62%	251
Unearned revenue	9,247	2,038	7,209	354%	1,787
Total liabilities	9,728	2,354	7,374	313%	2,047
Net position:					
Restricted	652	206	446	217%	221
Unrestricted	7,211	6,837	374	5%	6,039
Total net position	7,863	7,043	820	12%	6,260
Total liabilities and net position	\$ 17,591	\$ 9,397	\$ 8,194	87%	\$ 8,307

Cash – ILDC's cash balance increased 5% or \$92,000 in 2021, compared to an increase of 835% or \$1,737,000 in 2020. The 2021 increase was primarily due to the receipt of grant income and the sale of property in 2021.

Grants Receivable – Grants receivable increased 1389% or \$7,139,000 due to a grant award of \$7,695,000 from Empire State Development, combined with grant receipts during the year. In 2020 there was a decrease of 73% or \$1,405,000 due to the receipt of \$1,755,000 from Empire State Development.

Loans Receivable, net – Loans receivable relate to the microenterprise revolving loan fund, known as the Erie County Business Development Fund. Loans receivable increased \$631,000 from 2020 to 2021 due to 22 new loans during the year. There was a \$1,000 decrease in loans receivable from 2019 to 2020.

Land Held for Sale – Land held for sale consists of 161 acres of land at Renaissance Commerce Park in Lackawanna, NY and 234 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 \$333,000 increase in land held for sale from 2020 to 2021 reflects the purchase of another portion of property at the Lackawanna site. The \$1,040,000 increase from 2019 to 2020 was due to the purchase of the Evans, NY property.

Accounts Payable – The \$10,000 decrease in accounts payable from 2020 to 2021 is primarily due to a decrease in payables related to project consultants. The \$24,000 increase in accounts payable between 2019 and 2020 related to an increase in consultant payables.

Unearned Revenue – Unearned revenue relates to grants awarded to the ILDC, for which the related revenue has not yet been recognized. The \$7,209,000 increase from 2020 to 2021 is due to an increase in the dollar amount of grants awarded, mainly \$7,695,000 from Empire State Development, combined with grant revenue recognized. The increase from 2019 to 2020 was also due to an increase in grants awarded.

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, 2021, 2020 and 2019
(Amounts in thousands)

	<u>2021</u>	<u>2020</u>	<u>\$ Change</u>	<u>% Change</u>	<u>2019</u>
Revenue:					
Administrative fee income	\$ -	\$ 382	\$ (382)	100%	\$ -
Gain (loss) on land held for sale	(146)	-	(146)	100%	34
Land Development and other	11	8	3	38%	37
Total revenue	\$ (135)	\$ 390	\$ (525)	-135%	\$ 71
Expenses:					
Transfer to ECIDA	\$ 130	\$ 477	\$ (347)	-73%	\$ 61
General and administrative	229	189	40	21%	177
Depreciation	1	1	-	0%	1
Total expenses	360	667	(307)	-46%	239
Operating loss	(495)	(277)	(218)	79%	(168)
Nonoperating revenue					
Grant income	1,814	1,163	651	56%	1,047
Grant and loan loss expenses	(500)	(103)	(397)	385%	(1,282)
Interest/other income	1	-	1	100%	-
Change in net position	\$ 820	\$ 783	\$ 37	5%	\$ (403)

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 were no such bonds issued in 2021, accounting for the decrease in fees from 2020. Conversely, there was one bond issued in 2020, causing the increase in fees for 2020.

Gain (Loss) on Land Held for Sale – ILDC sells rehabilitated land as part of its economic development activities. When the sale price of land is greater than the book cost (including land improvements), a gain is recognized, and when the sale price is less than the book cost, a loss is recognized. The sale price of land sold in 2021 was less than the cost of land to ILDC. In 2020, there were no land sales. In 2019 the sale price exceeded the cost of land.

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 \$3,000 increase from 2020 to 2021 is due mainly to a year-long land use agreement, which began in late 2020. The decrease from 2019 to 2020 was due to a large loan recovery in 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 \$347,000 decrease from 2020 to 2021 relates mainly to an administrative fee of \$382,000 for a bond issuance in 2020. There were no ILDC bonds issued in 2021. The increase from 2019 to 2020 relates to the same \$382,000 administrative fee in 2020.

General and Administrative – In 2021, general and administrative expenses increased \$40,000 from \$189,000 to \$229,000. The increase was due mainly to a \$77,000 grant application fee related to the \$7,695,000 award from Empire State Development. General and administrative expenses also increased \$12,000 from 2019 to 2020 as a result of increased costs related to property owned.

Grant Income – Grant income increased \$651,000 to \$1,814,000 in 2021, from \$1,163,000 in 2020. This was due to \$560,000 sub-granted from Erie County related to the Microenterprise grant/loan program and \$259,000 recognized related to the Angola site Master Plan/GEIS. The increase from 2019 to 2020 relates to grant income recognized in 2020 related to the acquisition of the former Angola Airport 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 \$397,000 increase in grant and loan loss expenses from 2020 to 2021, due to the recognition of \$74,000 of loan loss expense and an increase in grant-eligible project expenses. The decrease from 2019 to 2020 related to the recognition of \$750,000 of loan loss expense related to the full 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 28, 2020. The following table (Table 3) presents an analysis of ILDC's performance compared to the approved 2021 budget.

Table 3
Budget to Actual Analysis for the year ended December 31, 2021
(Amounts in thousands)

Budget to Actual Analysis:

	<u>Actual</u>	<u>Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Revenue:				
Administrative fee income	\$ -	\$ -	\$ -	0%
Gain(loss) on land held for sale	(146)	-	(146)	-100%
Land development and other	11	263	(252)	-96%
Total revenue	(135)	263	(398)	-151%
Expenses:				
Transfer to ECIDA	130	60	70	117%
General and administrative	229	107	122	114%
Depreciation and other	1	-	1	100%
Total expenses	360	167	193	116%
Operating income (loss)	(495)	96	(591)	-616%
Grant income	1,814	4,805	(2,991)	-62%
Grant expenses	(426)	(3,250)	2,824	-87%
Interest/other	(73)	-	(73)	-100%
Change in net position	\$ 820	\$ 1,651	\$ (831)	-50%

Overall, ILDC fell below its budgeted increase in net position for 2021 by \$831,000. Total revenue was \$398,000, or 151%, below the budgeted amount due to loss recorded on the sale of property in 2021. Total expenses were \$360,000, or 116%, above budget. Grant income was \$2,991,000 below the budgeted amount, while grant expenses were \$2,824,000 below budget. The 2021 budgeted grant figures included \$2,500,000 of income and expense for a grant that was delayed. Interest/other expense of \$73,000 occurred as a result of recording a provision for loan losses, which was not included in the budget.

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.ecidanv.com.

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

DRAFT

	<u>2021</u>	<u>2020</u>
ASSETS		
Current assets:		
Cash	\$ 2,036,777	\$ 1,944,866
Grants receivable	7,653,095	514,051
Loans receivable, current	61,167	11,643
Total current assets	<u>9,751,039</u>	<u>2,470,560</u>
Noncurrent assets:		
Loans receivable, net	605,544	24,323
Capital assets, net	650	1,625
Land held for sale	7,233,513	6,900,166
Total noncurrent assets	<u>7,839,707</u>	<u>6,926,114</u>
Total assets	<u>\$ 17,590,746</u>	<u>\$ 9,396,674</u>
LIABILITIES		
Accounts payable	\$ 22,746	\$ 32,648
Due to affiliate	458,111	283,473
Unearned revenue	9,246,953	2,038,052
Total liabilities	<u>9,727,810</u>	<u>2,354,173</u>
NET POSITION		
Restricted	652,277	205,713
Unrestricted	7,210,659	6,836,788
Total net position	<u>7,862,936</u>	<u>7,042,501</u>
Total liabilities and net position	<u>\$ 17,590,746</u>	<u>\$ 9,396,674</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,**

DRAFT

	<u>2021</u>	<u>2020</u>
Operating revenues:		
Land development and other income	\$ 9,600	\$ 388,800
Loss on land held for sale	(146,122)	-
Interest from loans	1,861	725
Total operating revenues	<u>(134,661)</u>	<u>389,525</u>
Operating expenses:		
Transfer to Erie County Industrial Development Agency	129,863	477,095
General and administrative	229,612	188,403
Depreciation	975	975
Total operating expenses	<u>360,450</u>	<u>666,473</u>
Operating loss	(495,111)	(276,948)
Nonoperating revenues (expenses):		
Grant income	1,813,707	1,162,960
Grant expenses	(425,525)	(103,466)
Bad debt expense	(74,079)	-
Other income	1,237	-
Interest income	206	37
Total nonoperating revenues, net	<u>1,315,546</u>	<u>1,059,531</u>
Change in net position	820,435	782,583
Net position - beginning of year	<u>7,042,501</u>	<u>6,259,918</u>
Net position - end of year	<u>\$ 7,862,936</u>	<u>\$ 7,042,501</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,**

DRAFT

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Land development and other income	\$ 11,461	\$ 388,800
Transfers (to) from Erie County Industrial Development Agency	44,775	(319,252)
Principal and interest received on loans	55,176	11,109
Loan disbursements	(760,000)	(9,718)
Payments to vendors and affiliates	(239,514)	(164,640)
Net cash used by operating activities	<u>(888,102)</u>	<u>(93,701)</u>
CASH FLOWS FROM CAPITAL AND FINANCING ACTIVITIES		
Grant income	1,883,564	2,818,527
Grant expense	(425,525)	(103,466)
Proceeds from sale of land	214,200	-
Purchase of land held for sale	(693,669)	(884,170)
Net cash provided by capital and financing activities	<u>978,570</u>	<u>1,830,891</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest and other income	1,443	37
Net cash provided by capital and financing activities	<u>1,443</u>	<u>37</u>
Net increase in cash	91,911	1,737,227
Cash - beginning of year	<u>1,944,866</u>	<u>207,639</u>
Cash - end of year	<u>\$ 2,036,777</u>	<u>\$ 1,944,866</u>
Reconciliation of operating loss to net cash used by operating activities:		
Operating loss	\$ (495,111)	\$ (276,948)
Adjustments to reconcile operating loss to net cash used by operating activities:		
Depreciation	975	975
Loss on land held for sale	146,122	-
Bad debt expense	(74,079)	-
(Increase) decrease in loans receivable	(630,745)	596
Decrease in interest receivable	-	70
Decrease in due from affiliate	-	125,000
Increase (decrease) in accounts payable	(9,902)	23,763
Increase in due to affiliate	174,638	32,843
Net cash used by operating activities	<u>\$ (888,102)</u>	<u>\$ (93,701)</u>

See accompanying 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 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.

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. ILDC receives special project grants from various Federal, State and County governments. Grants received but not expended are reported as unearned revenue.

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.

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

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.

- Statement No. 87, *Leases*, which will be effective for the year ending December 31, 2022.
- 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*, is 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, 2021 and 2020, 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.

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.

During 2021, the ILDC provided a provision for loan loss of \$74,079 related to the Erie County BDF Loan Program. As the ILDC was unable to determine collectability of new loan recipients, the ILDC elected to estimate a 10% loan loss reserve in the amount of \$74,079 as of December 31, 2021. The following is a summary of the loans receivable:

	<u>2021</u>	<u>2020</u>
Total loans receivable	\$ 1,490,790	\$ 785,966
Less: provision for loan loss	<u>824,079</u>	<u>750,000</u>
Loans receivable, net	666,711	35,966
Less: current maturities	<u>61,167</u>	<u>11,643</u>
Loans receivable - long-term	<u>\$ 605,544</u>	<u>\$ 24,323</u>

At December 31, 2021, the Erie County BDF loan portfolio consisted of 23 loans that bear an interest 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>
2022	\$ 61,167	\$ 14,140
2023	82,795	12,742
2024	83,853	11,084
2025	78,730	9,459
2026	140,605	7,258
Thereafter	<u>293,640</u>	<u>2,206</u>
Total	<u>\$ 740,790</u>	<u>\$ 56,889</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, 2021, \$6,338,416 of the \$6,400,000 total granted for the purchase of real property and \$921,181 of the \$1,000,000 granted for carrying costs was utilized. (2020 - \$6,338,416 and \$706,126).

In connection with the Phase I land purchase, ILDC authorized a \$2,780,000 grant from Empire State Development (ESD). Proceeds from this grant were used to reimburse ECIDA. In addition, ILDC 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, the aggregate of which is not to exceed \$6,700,000. As of December 31, 2021, \$3,259,500 in reimbursements have been made to ECIDA (2020 - \$3,155,000).

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, 2021 and 2020, the full \$1,755,000 of this grant was received.

Phase II of the capital grant in the amount of \$7,695,000 under the Buffalo Billion II initiative was authorized by ILDC in 2021. Proceeds from this grant will be used toward the design and construction of infrastructure improvements including additional environmental remediation, and the installation of new roads and utility corridors. As of December 31, 2021, \$1,000,000 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, 2021, \$855,084 of the \$900,000 granted for the purchase of real property and \$69,269 of the \$300,000 granted for carrying costs was utilized (2020 - 855,084 and \$19,409).

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

	<u>2021</u>	<u>2020</u>
Bethlehem Steel Master Plan/GEIS	\$ 465,330	\$ 160,051
Bethlehem Steel - Buffalo Billion II	6,695,000	-
WNY Agribusiness Park Planning	492,765	354,000
Total	<u>\$ 7,653,095</u>	<u>\$ 514,051</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, 2021 and 2020 amounted to \$7,233,513 and \$6,900,166, respectively.

NOTE 4. RELATED PARTY TRANSACTIONS

ECIDA allocates a portion of its personnel and overhead costs to ILDC which amounted to \$124,534 as of December 31, 2021 (\$95,045 – 2020). The amount outstanding to ECIDA at December 31, 2021 related to these costs amounted to \$124,534 (\$95,045 – 2020). ILDC owed ECIDA for reimbursable costs of \$657 as of December 31, 2021 (\$286 – 2020). ILDC owed ECIDA for other reimbursable grant costs of \$254,606 as of December 31, 2021 (\$188,143 – 2020). Amounts due to ECIDA totaled \$458,111 as of December 31, 2021 (\$283,473 – 2020).

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. There was no administrative fees transferred to ECIDA in 2021 (\$382,050 – 2020).

NOTE 5. SUBSEQUENT EVENT

Management has evaluated subsequent events through XXXX, 2022, 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, 2021**

DRAFT

	<u>Operating</u>	<u>Erie County BDF Program</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash	\$ 2,022,830	\$ 13,947	\$ 2,036,777
Grants receivable	7,653,095	-	7,653,095
Loans receivable, short-term	-	61,167	61,167
Total current assets	<u>9,675,925</u>	<u>75,114</u>	<u>9,751,039</u>
Noncurrent assets:			
Loans receivable, net	-	605,544	605,544
Capital assets, net	650	-	650
Land held for sale	7,233,513	-	7,233,513
Total noncurrent assets	<u>7,234,163</u>	<u>605,544</u>	<u>7,839,707</u>
Total assets	<u>\$ 16,910,088</u>	<u>\$ 680,658</u>	<u>\$ 17,590,746</u>
LIABILITIES			
Accounts payable	\$ 17,388	\$ 5,358	\$ 22,746
Due to affiliate	435,088	23,023	458,111
Unearned revenue	9,246,953	-	9,246,953
Total liabilities	<u>9,699,429</u>	<u>28,381</u>	<u>9,727,810</u>
NET POSITION			
Restricted	-	652,277	652,277
Unrestricted	7,210,659	-	7,210,659
Total net position	<u>7,210,659</u>	<u>652,277</u>	<u>7,862,936</u>
Total liabilities and net position	<u>\$ 16,910,088</u>	<u>\$ 680,658</u>	<u>\$ 17,590,746</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, 2021**

DRAFT

	<u>Operating</u>	<u>Erie County BDF Program</u>	<u>Total</u>
Operating revenues:			
Land development and other income	\$ 9,600	\$ -	\$ 9,600
Loss on sale of land	(146,122)	-	(146,122)
Interest from loans	-	1,861	1,861
Total operating revenues	<u>(136,522)</u>	<u>1,861</u>	<u>(134,661)</u>
Operating expenses:			
Transfer to Erie County Industrial Development Agency	102,108	27,755	129,863
General and administrative	228,912	700	229,612
Depreciation	975	-	975
Total operating expenses	<u>331,995</u>	<u>28,455</u>	<u>360,450</u>
Operating loss	(468,517)	(26,594)	(495,111)
Nonoperating revenues (expenses):			
Grant income	1,253,707	560,000	1,813,707
Grant expenses	(411,525)	(14,000)	(425,525)
Bad debt expense	-	(74,079)	(74,079)
Other income	-	1,237	1,237
Interest income	206	-	206
Total nonoperating revenues, net	<u>842,388</u>	<u>473,158</u>	<u>1,315,546</u>
Change in net position	373,871	446,564	820,435
Net position - beginning of year	<u>6,836,788</u>	<u>205,713</u>	<u>7,042,501</u>
Net position - end of year	<u>\$ 7,210,659</u>	<u>\$ 652,277</u>	<u>\$ 7,862,936</u>

Buffalo & Erie County Industrial Land Development Corp.

Investment Report

For the year ended December 31, 2021

Buffalo & Erie County Industrial Land Development Corporation

2021 Annual Investment Report

Purpose of Report:

Under Section 2925(6) of the Public Authorities Law, ILDC is required to prepare and approve an annual Investment Report. The investment report is to include: ILDC'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, 2021 and were approved by the ILDC Board of Directors on March 23, 2022.

Investment Guidelines:

In accordance with Section 2925 of the Public Authorities Law, ILDC is required to adopt Investment Guidelines which detail its operative policy and instructions to staff regarding the investing, monitoring and reporting of funds of the Agency. ILDC has 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 ILDC Board of Directors on March 23, 2022 and are posted on the ECIDA website at <http://www.ecidany.com/about-us-corporate-policies>. The Investment Guidelines are consistent with the prior Guidelines adopted on March 24, 2021.

Investment Audit:

ILDC's auditors have audited the corporation's compliance with the Investment Guidelines for Public Authorities. In their report dated March XX, 2022 Freed Maxick CPAs have indicated that ILDC complied, in all material respects, with these Investment Guidelines.

Buffalo & Erie County Industrial Land Development Corporation (ILDC)

Annual Investment Report

For the year ended December 31, 2021

Account Type	Financial Institution	G/L Balance		Interest Rate ^a Dec 2021	2021			
		1/1/2021	12/31/2021		Investment Income	Fees	Restricted Purpose	
1 Checking	M&T Bank	182,312	13,947	0.01%	11	\$ -	✓	Erie County BDF Microenterprise Loan account ^c
2 Checking	M&T Bank	1,762,554	1,022,805	0.01%	206	-	✓	General ILDC checking account
3 Checking	M&T Bank	-	1,000,025	0.01%	58	-	✓	Imprest account for Empire State Development grant ^{b,c}
		<u>\$ 1,944,866</u>	<u>\$ 2,036,777</u>		<u>\$ 275</u>	<u>\$ -</u>		

Notes:

^a The Interest Rate is the annualized rate for the month of December 2021 and is prior to the deduction of any fees.

^b New bank account opened in 2021.

^c Investment income earned is remitted to grantor in accordance with agreements.



To: ECIDA, RDC & ILDC Board of Directors
From: Brenda McDuffie, Governance Committee Chair
Date: March 23, 2022
Re: Governance Committee Report

In accordance with its Committee Charter, the Governance Committee is required to “report its actions and recommendations to the Board at each regular meeting of the Board following a meeting of the Governance Committee and when otherwise requested by the Board”. This report is prepared to satisfy this requirement.

The ECIDA/RDC/ILDC Governance Committee meeting scheduled for March 14, 2022, did not have a quorum present. Committee members present were Brenda McDuffie, Chair, Ken Schoetz, and Maria Whyte. The Committee was provided with several documents for review and comment prior to the meeting. The members present were in agreement with sending the items below to the Boards for approval:

1) 2021 PAAA Annual Report

The PAAA Annual Report will be reviewed by the full Boards during the March 23, 2022 Board meetings.

2) Results of 2021 Performance Measures

The Governance Committee met on January 25, 2022 and February 22, 2022 to discuss the ECIDA/RDC/ILDC Mission Statement and 2021 Performance Measures. The results of the 2021 Performance Measures will be reviewed by the Boards during the March 23, 2022 Board meetings.

3) Mission Statement and 2022 Performance Measures

The Governance Committee met on January 25, 2022 and February 22, 2022 to discuss the ECIDA/RDC/ILDC Mission Statement and 2022 Performance Measures. During these meetings the Committee provided input and made changes to certain metrics based on current economic conditions. The 2022 Mission Statement & Performance Measures will be reviewed by the Boards during the March 23, 2022 Board meetings.

4) 2021 Board of Directors’ Self-Evaluation

The Governance Committee received the summary sheets for the ECIDA, RDC, and ILDC Board self-evaluations. The results will be reviewed with the Boards. The Governance Committee Chair will forward the summary sheets to the Authorities Budget Office (ABO) as required.

5) 2021 Governance Committee Self-Evaluation

The evaluation documents the activities of the Governance Committee during 2021.

6) Annual Re-Adoption of Policies, Charters & Guidelines

These items must be approved annually by the ECIDA/RDC/ILDC Boards:

- Board Member Compensation, Reimbursement & Attendance Policy
- Code of Ethics & Conflict of Interest Policy
- Defense & Indemnification Policy
- ECIDA Employee Compensation Program
- Governance Committee Charter
- Procurement Policy

- Property Disposition Guidelines
- Real Property Acquisition Policy
- Sexual Harassment Policy
- Statement of Duties & Responsibilities of the Board of Directors
- Statement of the Competencies & Personal Attributes Required of Board Members
- Travel, Conferences, Meals & Entertainment Policy
- Whistleblower Policy and Procedures

ECIDA General Counsel Harris Beach reviewed the above referenced policies and did not recommend any changes. The ABO did not publish any new recommended guidance for any of these policies. The Boards will review these policies during the March 23, 2022 Board meetings.

7) Adoption of Policies, Charters & Guidelines

ECIDA staff and General Counsel Harris Beach recommend adoption of the Fee Structure Policy.

8) PARIS Report Update

The Governance Committee members present received an update on the status of the ABO's reporting requirements through the Public Authorities Reporting Information System (PARIS). The Agency is on track to complete the ECIDA, RDC, and ILDC PARIS reports on or before the March 31, 2022 deadline.

9) Board Member PAAA Training Update

The Governance Committee members present received an update on the status of the required ABO board member training. One board member received training during 2021. The Agency's Compliance Officer is tasked with forwarding training opportunities to board members who have not had the required training and to those who have not had training within the last three years.

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

2021 Governance Committee Self-Evaluation

Responsibilities of the Governance Committee:

The core responsibilities of the Governance Committee, as mandated under Section 2824(7) of the New York Public Authorities Law, are set forth in the Bylaws and include: (i) keeping the Board informed of current best governance practices; (ii) reviewing corporate governance trends; (iii) updating the Agency’s corporate governance principles; and (iv) advising those responsible for appointing members to the Board on the skills and experiences necessary required of potential Board members.

Governance Committee Self-Evaluation	Yes	No	Pending	Comments
1. Are the members of the Governance Committee appointed in accordance with the Bylaws and are individuals appointed to the Governance Committee knowledgeable, or have expressed a willingness to become knowledgeable, in matters pertaining to governance?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
2. Is each member of the Governance 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 Governance 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 Governance Committee meet a minimum of once (1) each calendar year?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Governance Committee met on 1/28/21, 2/9/21, and 3/17/21.
4. Were meeting notices and agendas prepared for each meeting and provided to Governance 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?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Governance Committee Self-Evaluation	Yes	No	Pending	Comments
5. Did the Governance Committee develop the Agency's governance practices, which should address transparency, independence, accountability, fiduciary responsibilities and management oversight?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	See Questions #6-#9 below.
6. Did the Governance Committee develop a statement of the competencies and personal attributes required of Board members to assist those authorized to appoint members to the Board in identifying qualified individuals (it being acknowledged that membership in the Agency is determined pursuant to Section 891-a of the General Municipal Law)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	A Statement of the Competencies and Personal Attributes is posted on the ECIDA website. It was approved by the ECIDA Board of Directors on 2/16/10. Revisions to this document were not necessary in 2021.
7. Did the Governance Committee develop and recommend to the Board any revisions to the number and/or structure of Board committees?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No additional committees were recommended by the Governance Committee in 2021.
8. Did the Governance Committee develop and provide recommendations to the Board regarding Board member education, including new member orientation and regularly scheduled Board member training to be obtained from state-approved trainers as required under Section 2824(2) of the New York Public Authorities Law?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>New Board members attend an orientation session hosted by ECIDA staff and are provided with a New Member Orientation Manual.</p> <p>As of 12/31/21, 16 of 19 ECIDA/RDC Board members and 5 of 7 ILDC Board members have received the PAAA required training. All Board members who have not received the training received notifications throughout the year regarding PAAA training session dates.</p>
9. Did the Governance Committee develop, review and recommend to the Board the adoption and/or revisions to the following: (i) the Agency's Code of Ethics. (ii) written policies regarding conflicts of interest.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Governance Committee Self-Evaluation	Yes	No	Pending	Comments
<p>(iii) written policies regarding the protection of whistleblowers from retaliation.</p> <p>(iv) equal opportunity and affirmative action policies.</p> <p>(v) written policies regarding procurement of goods and services, including policies relating to the disclosure of persons who attempt to influence the Agency's procurement process.</p> <p>(vi) written policies regarding the disposition of real and personal property and the acquisition of property.</p> <p>(vii) committee charters, including this Charter.</p> <p>(viii) any other policies or documents relating to the governance of the Agency, including rules and procedures for conducting the business of the Agency's Board, including the Agency's Bylaws. The Governance Committee will oversee the implementation and effectiveness of the Bylaws and other governance documents and recommend modifications to the Board as necessary or appropriate.</p>				<p>Items i) & ii) are included in the ECIDA Code of Ethics and Conflict of Interest Policy. The Governance Committee reviewed the Code of Ethics and Conflict of Interest Policy, during its 3/17/21 meeting. The Code was re-adopted by the full Board during its meeting on 3/24/21.</p> <p>(iii) In 2012, the Governance Committee approved a formal Whistleblower Policy. The Committee did not recommend any changes in 2021. The Policy was re-adopted by the full Board during its meeting on 3/24/21.</p> <p>iv) The ECIDA's EEO policy is included in the Employee Handbook and the Procurement Policy.</p> <p>v) The Committee reviewed recommended changes to the Procurement Policy during its 3/17/21 meeting. The amended Policy was adopted by the full Board during its meeting on 3/24/21.</p> <p>vi) The ECIDA Property Disposition Guidelines were reviewed by the Governance Committee on 3/17/21 and re-adopted by the full Board during its meeting on 3/24/21.</p> <p>vii) The ECIDA Governance Committee Charter was reviewed by the Governance Committee on 3/17/21. It was re-adopted by the full Board during its meeting on 3/24/21.</p> <p>viii) At its 3/17/21 meeting the Governance Committee reviewed and recommended changes to the ECIDA Employee Compensation Program and adoption of the Agency's Sexual Harassment Policy. Both policies were adopted by the full Board during its meeting on 3/24/21.</p>

Governance Committee Self-Evaluation	Yes	No	Pending	Comments
<p>10. Did the Governance Committee:</p> <p>(i) report its actions and recommendations to the Board at each regular meeting of the Board following a meeting of the Governance Committee and when otherwise requested by the Board.</p> <p>(ii) report to the Board, at least annually, regarding any proposed changes to this Charter.</p> <p>(iii) provide a self-evaluation of the Governance Committee's functions to the Board on an annual basis.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>The Committee reports its actions and recommendations to the Board following each meeting.</p> <p>i) & ii) As stated above, all policies/ guidelines referenced above were adopted or re-adopted by the Board on 3/24/21.</p> <p>iii) On 3/17/21, the Committee performed a Self-Evaluation for the calendar year 2020 and provided a status report to the Board on 3/24/21.</p>

Other Self-Evaluation Notes

- 1) In March 2021, the Governance Committee reviewed the 2020 Board Evaluation for the ECIDA, RDC, and ILDC boards. The Committee discussed the results of these evaluations during the 3/24/21 board meeting.
- 2) In addition to the above referenced policies, the Governance Committee discussed the following items during its meeting on 3/17/21: (1) 2020 Performance Measures Report & Results; (2) 2021 Mission Statement & Performance Measures; (3) 2020 PAAA Annual Report; (4) Property Acquisition Policy; (5) Defense & Indemnification Policy; (6) Board Member Compensation, Reimbursement & Attendance Policy; (7) Travel Conferences Meals & Entertainment Policy; (8) Statement of Duties & Responsibilities of the Board of Directors and (9) Statement of the Competencies & Personal Attributes Required of Board Members. The Committee did not recommend changes. The full Board approved these documents/policies during its 3/24/21 Board meeting.
- 3) The ECIDA staff provided an update on the status of the ECIDA's Public Authority Reporting Information System (PARIS) report to the Committee on 3/17/21.
- 4) During the Governance Committee meeting on 3/17/21, ECIDA staff reported that there were no violations of the Agency's Local Labor Policy in 2020.
- 5) During its 1/28/21, 2/9/21 and 3/17/21 Governance Committee meetings, the Governance Committee, ECIDA staff and counsel discussed the results of ECIDA's 2020 Performance Measures.
- 6) During its 1/28/21, 2/9/21 and 3/17/21 Governance Committee meetings, the Governance Committee, ECIDA staff and counsel discussed the ECIDA Mission Statement and 2021 Performance Measure.

2021 ILDC Summary Results of Confidential Evaluation of Board Performance

Criteria	Agree	Somewhat Agree	Somewhat Disagree	Disagree
	#	#	#	#
Board members have a shared understanding of the mission and purpose of the Authority.	4			
The policies, practices and decisions of the Board are always consistent with this mission.	4			
Board members comprehend their role and fiduciary responsibilities and hold themselves and each other to these principles.	4			
The Board has adopted policies, by-laws, and practices for the effective governance, management and operations of the Authority and reviews these annually.	4			
The Board sets clear and measurable performance goals for the Authority that contribute to accomplishing its mission.	4			
The decisions made by Board members are arrived at through independent judgment and deliberation, free of political influence, pressure or self-interest.	3	1		
Individual Board members communicate effectively with executive staff so as to be well informed on the status of all important issues.	3	1		
Board members are knowledgeable about the Authority's programs, financial statements, reporting requirements, and other transactions.	3	1		
The Board meets to review and approve all documents and reports prior to public release and is confident that the information being presented is accurate and complete.	4			
The Board knows the statutory obligations of the Authority and if the Authority is in compliance with state law.	2	2		
Board and committee meetings facilitate open, deliberate and thorough discussion, and the active participation of members.	4			
Board members have sufficient opportunity to research, discuss, question and prepare before decisions are made and votes taken.	4			
Individual Board members feel empowered to delay votes, defer agenda items, or table actions if they feel additional information or discussion is required.	2	2		
The Board exercises appropriate oversight of the CEO and other executive staff, including setting performance expectations and reviewing performance annually.	4			
The Board has identified the areas of most risk to the Authority and works with management to implement risk mitigation strategies before problems occur.	4			
Board members demonstrate leadership and vision and work respectfully with each other.	4			

Authority: **Buffalo & Erie County Industrial Land Development Corp.**; Date Completed: **3/8/2022**

ECIDA/RDC/ILDC Confidential Evaluation of Board Performance

Criteria	Comments
Board members have a shared understanding of the mission and purpose of the Authority. The policies, practices and decisions of the Board are always consistent with this mission. Board members comprehend their role and fiduciary responsibilities and hold themselves and each other to these principles.	Board orientations are held to allow each board member information on mission & purpose.
The Board has adopted policies, by-laws, and practices for the effective governance, management and operations of the Authority and reviews these annually.	Policies are reviewed and updated as needed and at a minimum they are reinforced at meetings.
The Board sets clear and measurable performance goals for the Authority that contribute to accomplishing its mission.	
The decisions made by Board members are arrived at through independent judgment and deliberation, free of political influence, pressure or self-interest.	
Individual Board members communicate effectively with executive staff so as to be well informed on the status of all important issues.	Great communication with Board members and staff Staff and board members have open communications that allow for timely information exchange.
Board members are knowledgeable about the Authority's programs, financial statements, reporting requirements, and other transactions.	
The Board meets to review and approve all documents and reports prior to public release and is confident that the information being presented is accurate and complete.	All information and related materials are shared with the board in advance to allow time for reading and addressing any questions and/or issues.
The Board knows the statutory obligations of the Authority and if the Authority is in compliance with state law.	
Board and committee meetings facilitate open, deliberate and thorough discussion, and the active participation of members.	At all committee meetings there is robust, thoughtful dialogue between committee members and all comments and questions by members are encouraged.

<p>Board members have sufficient opportunity to research, discuss, question and prepare before decisions are made and votes taken.</p>	<p>Information is provided well in advance of meeting giving plenty of time to review and research.</p> <p>Information and materials are sent in advance for committee and board meeting so that members have opportunity to prepare, request additional information and discuss all items before voting.</p>
<p>Individual Board members feel empowered to delay votes, defer agenda items, or table actions if they feel additional information or discussion is required.</p>	
<p>The Board exercises appropriate oversight of the CEO and other executive staff, including setting performance expectations and reviewing performance annually.</p>	
<p>The Board has identified the areas of most risk to the Authority and works with management to implement risk mitigation strategies before problems occur.</p>	
<p>Board members demonstrate leadership and vision and work respectfully with each other.</p>	

This survey applies to the ECIDA and all ECIDA affiliated corporations. If your answers are different for each affiliate, please complete a separate survey for each affiliate (ECIDA/IRDC/ILDC).

Date Completed: March 8, 2022



**Loan Status Report
March 23, 2022**

<u>ILDC Loans Approved Since Last Meeting</u>	<u>Municipality</u>	<u>Amount</u>
None		
<u>ILDC Loans Closed Since Last Meeting</u>	<u>Municipality</u>	<u>Amount</u>
None		
<u>Loans in Closing Process</u>	<u>Municipality</u>	<u>Amount</u>
None		
<u>Loans in the Pipeline</u>	<u>Municipality</u>	<u>Amount</u>
Total – 1	East Aurora	\$35,000

<u>2022 - Loans Closed</u>	<u>YTD Loan Total</u>	<u>Jobs to be Created</u>	<u>Retained Jobs</u>
1	\$35,000	2	0

Loan Portfolio Performance

Past Due Loans:

<u>Loan</u>	<u>Outstanding Balance</u>	<u>Amount Past Due</u>	<u>Days Past Due</u>	<u>Comments</u>
NONE				

Portfolio Delinquency Rate (Past Due Outstanding Loan Balance *divided by* Portfolio Balance):

\$0 / \$795,000 0% Delinquency Rate (23 Loans)

ILDC Funds Available to Lend: \$300,000

To: ILDC Board of Directors
From: Mollie Profic, CFO
Jerry Manhard, Chief Lending Officer
Re: Community Development Block Grant Sub-Subrecipient Agreement with ECIDA
Date: March 23, 2022

In 2009, ECIDA entered into a contract with Erie County (the “County”) to undertake essential community development activities in the form of business assistance loan funds. This grew to be more commonly known as the Erie County Microenterprise Loan Fund (“Fund”). The original allocation that funded this program was a Community Development Block Grant (“CDBG”), and supplementary funds have been added to this program over the years. Additional agreements between ECIDA and the County for the administration of the Fund were entered into in 2010, 2011, 2012 and 2019. The current agreement in place expires March 31, 2022.

Statutory regulations do not allow the ECIDA to lend monies, so ECIDA has historically assigned (sub-granted) funds to the Buffalo and Erie County Industrial Land Development Corporation (“ILDC”) to administer the Fund.

The County has received additional federal grant funding for the 2022-2023 program year and wishes to again engage the Agency to continue administering the Fund. The agreement period will be April 1, 2022 – March 31, 2025. The project budget is \$367,387, and up to \$72,000 of administrative costs may be compensated to the administrator over the three-year period.

A summary of the terms of the First Amendatory Agreement are:

- Administration of the Fund in a manner satisfactory to the County and consistent with standards required as a condition of providing these funds.
- Funds currently held in the Microenterprise Loan Fund bank account will be allocated to the Fund.
- Meet the objective of benefiting low- and moderate-income individuals by providing access to CDBG monies through loans for small scale business improvements.
- Erie County consenting to the assignment of the agreement by ECIDA to the ILDC, and the assumption by the ILDC of the duties and responsibilities of the agreement.

Action:

Requesting approval of the attached resolution to allow the ILDC to (1) negotiate and execute, as appropriate, the CDBG Funds sub-subgrant agreement with the ECIDA and (2) administer the CDBG Funds in a manner consistent with the Microenterprise Loan Fund and the County’s Microenterprise Loan Fund Loan Administration Plan.

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

RESOLUTION

*(Agreement to Authorize Execution and Delivery of Community Development Block Grant
Sub -Subrecipient Agreement with the Erie County Industrial Development Agency)*

A regular meeting of the Buffalo and Erie County Industrial Land Development Corporation was convened on Wednesday, March 23, 2022, at 12:30 p.m.

The following resolution was duly offered and seconded, to wit:

RESOLUTION AUTHORIZING (i) THE ADOPTION, NEGOTIATION AND EXECUTION OF A SUB-SUBRECIPIENT AGREEMENT OR SUCH SIMILAR AGREEMENT WITH THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY, AS APPROPRIATE, RELATED TO THE CONTINUED RECEIPT AND ADMINISTRATION OF COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS; AND (ii) THE ALLOCATION OF \$367,387 OF SUCH FUNDS TOWARDS A MICROENTERPRISE LOAN FUND.

WHEREAS, pursuant to Section 1411 of the Not-for-Profit Corporation Law of the State of New York, the Buffalo and Erie County Industrial Land Development Corporation (“ILDC”) was created as a Not-for-Profit Local Development Corporation; and

WHEREAS, the County of Erie (“County”) has applied for and received funds from the United States Government under Title I of the Housing and Community Development Act of 1974, as amended (“HCD Act”), Public Law 93-383; and

WHEREAS, the County has previously sub-granted such funds that it has received pursuant to the HCD Act to the Erie County Industrial Development Agency (“Agency”) for purposes of administering such funds and related thereto, the County and the Agency have previously entered into contracts for grant administration and funding dated October 16, 2009, October 8, 2010, October 20, 2011, and January 2, 2019 for the purpose of undertaking essential community development activities in the form of business assistance loan funds; and

WHEREAS, related to the foregoing, the Agency has sub-subgranted such County HDC Act funds to the ILDC for purposes of administering such funds and to fund the Microenterprise Loan Fund to be utilized in a manner consistent with the County’s Microenterprise Loan Fund Loan Administration Plan; and

WHEREAS, the County has or contemplates that it will sub-grant \$367,387 of Community Development Block Grant funds (the “CDBG Funds”) to the Agency; and

WHEREAS, the Agency desires to sub-subgrant \$387,387 of CDBG Funds to the ILDC for purposes of continuing to capitalize and utilize the Microenterprise Loan Fund to be utilized

in a manner consistent with the County's Microenterprise Loan Fund Loan Administration Plan; and

WHEREAS, the ILDC desires to negotiate and execute an agreement to authorize the receipt and allocation of \$367,387 of CDBG Funds currently held by, or under contract to, the Agency, towards the Microenterprise Loan Fund to be utilized for grants within Erie County or targeted areas within Erie County as identified by the ILDC and/or the Agency, and which meet the purposes of the Microenterprise Loan Fund.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION AS FOLLOWS:

Section 1. The ILDC hereby determines that the receipt of CDBG Funds, from the Agency, and funding of the Microenterprise Loan Fund, in conjunction with Agency, will facilitate economic development and job creation/retention for the benefit of the economy and people of Erie County.

Section 2. The ILDC is authorized (i) to negotiate and execute the CDBG Funds sub-recipient agreement, or similar instrument, with the Agency, relative to the receipt of CDBG Funds in the amount of \$367,387, currently held by, or under contract to the Agency, and (ii) to administer the CDGB Funds in a manner consistent with the Microenterprise Loan Fund and the County's Microenterprise Loan Fund Loan Administration Plan.

Section 3. Subject to the terms of this Resolution, the Chair, the Vice Chairman, the President/Chief Executive Officer, the Treasurer/Chief Financial Officer, and/or the Assistant Treasurer, are hereby authorized, on behalf of the ILDC, to negotiate, execute and deliver any documents necessary and incidental to carry out the intentions of this Resolution.

Section 4. The officers, employees and agents of the ILDC are hereby authorized and directed for and in the name and on behalf of the ILDC to do all acts and things required and to negotiate, execute and deliver all such certificates, instruments and documents, to pay all such fees, charges and expenses and to do all such further acts and things as may be necessary or, in the opinion of the officer, employee or agent acting, desirable and proper to effect the purposes of the foregoing resolutions.

Section 5. This Resolution shall take effect immediately.

Dated: March 23, 2022