



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

**Joint Finance & Audit Committee Meeting
March 16, 2022**

Via Conference Call and Livestreaming

at 10:00 a.m.

1. Approval of Minutes – December 14, 2021 (Action) (Pages 2-3)
2. Draft 2021 ECIDA Audited Financial Statements & Management Report (Action) (Pages 4-40)
3. Draft 2021 RDC Audited Financial Statements (Action) (Pages 41-64)
4. Draft 2021 ILDC Audited Financial Statements (Action) (Pages 65-83)
5. 2021 PAAA Annual Report (Action) (Action) (Pages 84-151)
6. 2021 Investment Reports (Action) (Pages 152-156)
7. Investment and Deposit Policy (Re-adoption) (Action) (Pages 157-164)
8. Finance & Audit Committee Charter (Re-adoption) (Action) (Pages 165-169)
9. Corporate Credit Card Policy (Re-adoption) (Action) (Pages 170-172)
10. 2021 Finance & Audit Committee Self-Evaluation (Action) (Pages 173-177)
11. 2021 Management's Assessment of Internal Controls (Informational) (Pages 178-179)
12. Corporate Credit Card Usage Report (Informational) (Page 180)
13. New Business (Informational) (Pages 181-187)
14. Adjournment

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

- MEETING:** December 14, 2021
- LIVE STREAMED:** This meeting is being live-streamed and made accessible on the ECIDA's website at www.ecidany.com.
- PRESENT:** Penny Beckwith, Allison DeHoney, Hon. Glenn R. Nellis, Michael Szukala, Paul Vukelic and William Witzleben
- ABSENT:** Hon. Brian J. Kulpa
- OTHERS PRESENT:** John Cappellino, President/CEO; Beth O'Keefe, Vice President; Mollie Profic, Chief Financial Officer/Assistant Secretary; Atiqah Abidi, Assistant Treasurer; Grant Lesswing, Director of Business Development; Andrew Federick, Business Development Officer; Robbie Ann McPherson, Director of Marketing & Communications; Brian Krygier, Director of Information Technology; Carrie Hocieniec, Operations Assistant; Pat Smith, Bookkeeper; Christopher Andreucci, Bond Counsel/Harris Beach and Robert Murray, Esq., General Counsel/Harris Beach PLLC
- GUESTS:** Patrick Kilcullen on behalf of 134 High Street, LLC/BNMC and Kathryn Barrett on behalf of Freed Maxick

There being a quorum present at 10:07 a.m., the Meeting of the Members of the Joint Finance & Audit Committee of the Erie County Industrial Development Agency, Buffalo and Erie County Regional Development Corporation and the Buffalo and Erie County Industrial Land Development Corporation was called to order by Chair Szukala.

MINUTES

The September 14, 2021 minutes of the joint meeting of the Finance and Audit Committee were presented. Upon motion made by Mr. Nellis, and seconded by Ms. Beckwith, and after a vote was called for by Mr. Szukala, the September 14, 2021 minutes of the Finance and Audit Committee were unanimously approved.

BUFFALO NIAGARA MEDICAL CAMPUS (“BNMC”) BOND ISSUANCE

Mr. Cappellino reviewed the contemplated refinancing bond issuance and prior BNMC and ILDC transaction.

Mr. Kilcullen spoke on behalf of BNMC and briefly discussed the refinancing.

General discussion ensued.

Upon motion made by Mr. Vukelic and seconded by Mr. Nellis, a motion was made to approve and recommend the BNMC bond refinancing to the ILDC Board for approval. Mr. Szukala called for the vote and the motion was unanimously approved.

FREED MAXICK 2021 AUDIT PLAN

Ms. Profic introduced Kathryn Barrett from Freed Maxick. Ms. Barrett reviewed the 2021 audit plan and approvals..

There being no further business to discuss, Mr. Szukala adjourned the meeting at 10:48 a.m.

Dated: December 14, 2021

Gerald Manhard, Assistant, Secretary

DRAFT

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

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.

CONTENTS

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

Required Communications

DRAFT

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.

DRAFT

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

DRAFT

AUDITED FINANCIAL STATEMENTS

**ERIE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

DECEMBER 31, 2021

	<u>Page</u>
FINANCIAL SECTION	
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-9
Basic Financial Statements:	
Statements of Net Position	10
Statements of Revenues, Expenses and Changes in Net Position	11
Statements of Cash Flows	12
Notes to Financial Statements	13-21
Supplementary Information:	
Combining Statement of Net Position	22
Combining Statement of Revenues, Expenses and Changes in Net Position	23
INTERNAL CONTROL AND COMPLIANCE	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	24-25

DRAFT

FINANCIAL SECTION

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Management's Discussion and Analysis

**December 31, 2021
(UNAUDITED)**

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

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

In compliance with GASB Statement No. 34, we present the attached overview and analysis of the financial activities of ECIDA as of and for the years ended December 31, 2021, 2020 and 2019. We encourage readers to consider the information presented here in conjunction with ECIDA's audited financial statements.

In 2021 the ECIDA was again impacted by the COVID-19 pandemic and state of emergency declaration in New York State. ECIDA worked diligently with economic development partners in Erie County to provide assistance and support to businesses negatively impacted by the pandemic. In 2020, certain sections of New York State General Municipal Law were amended and allowed industrial development agencies in the State to provide financial assistance in the form of loans and/or grants to eligible small businesses and not-for-profit corporations in an effort to alleviate the financial hardship caused by the COVID-19 pandemic. ECIDA established a COVID-19 Disaster Emergency Grant Program in July 2020, with an initial funding allocation of \$500,000 of ECIDA general funds. An additional funding allocation of \$500,000 was approved in January 2021. The program sunset with the end of the emergency declaration in New York State. Several references are made in this MD&A to the pandemic and ECIDA grant program.

Basic Overview of the Financial Statements

Included in this report are the following financial statements:

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

Financial Highlights

- ECIDA's total net position decreased by 1% from \$21,098,000 in 2020 to \$20,897,000 in 2021.
- ECIDA experienced an overall decrease in net position of \$201,000 in 2021 compared to an decrease of \$1,524,000 in 2020.
- Administrative fees, a key source of revenue for ECIDA, increased 31% from \$1,850,000 in 2020 to \$2,419,000 in 2021.
- Net special project grants increased to a loss of \$743,000 in 2021, from a loss of \$1,363,000 in 2020.
- Operating expenses increased 1% from \$2,747,000 in 2020 to \$2,764,000 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 ECIDA.

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	\$ 18,638	\$ 18,670	\$ (32)	0%	\$ 19,023
Loans receivable, net of allowance	-	-	-	0%	56
Capital assets, net	1,164	1,249	(85)	-7%	1,358
Other assets	2,268	2,088	180	9%	1,722
Restricted cash	8,870	6,289	2,581	41%	7,939
Total assets	\$ 30,940	\$ 28,296	\$ 2,644	9%	\$ 30,098
Liabilities:					
Current liabilities	\$ 1,325	\$ 1,064	\$ 261	25%	\$ 691
Funds held on behalf of others	8,718	6,134	2,584	42%	6,786
Total liabilities	10,043	7,198	2,845	40%	7,477
Net position:					
Investment in capital assets	1,164	1,249	(85)	-7%	1,358
Restricted	11,435	11,647	(212)	-2%	13,009
Unrestricted	8,298	8,202	96	1%	8,255
Total net position	20,897	21,098	(201)	-1%	22,622
Total liabilities and net position	\$ 30,940	\$ 28,296	\$ 2,644	9%	\$ 30,099

Cash – ECIDA's cash balance decreased \$32,000 (less than 1%) due mainly to an increase in receivables of \$195,000. The decrease in cash from 2019 to 2020 was a result of an increase in receivables of \$524,000.

Loans Receivable – Loans receivable represents conduit receivables. The final conduit loan repayments were received during 2020.

Restricted Cash (Funds held on behalf of others) – Restricted cash consists primarily of funds held on behalf of others including the Buffalo Brownfields Redevelopment fund, Regional Redevelopment fund and PILOT Increment Financing (PIF) funds. The 2019 balance also included investment sales proceeds held in escrow. The \$2,581,000 or 41% increase was due to continued PILOT payments into PIF funds and the establishment of a new PIF fund in 2021. The \$1,650,000 or 21% decrease from 2019 to 2020 was due to a decrease in the sales proceeds held in escrow of \$1,000,000 and a decrease of \$762,000 in the Buffalo Brownfields Redevelopment Fund.

Other Assets – Other assets include ECIDA's grants receivable, venture capital investments, affiliate receivables, prepaid expenses, and other receivables. The increase in other assets of \$180,000 from 2020 to 2021 is primarily due to an increase in affiliate receivables of \$178,000. The increase in other assets between 2019 and 2020 related mainly to an increase in grants receivable.

Current Liabilities – The \$261,000 increase in current liabilities from 2020 to 2021 is primarily due to a \$227,000 increase in accounts payable, plus a \$48,000 increase in unearned revenue related to grant funds awarded but not yet expended. The increase in current liabilities between 2019 and 2020 related to an increase in unearned revenue of \$581,000 and a decrease in accounts payable of \$137,000.

2. Change in Net Position:

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

Table 2
Change in Net Position for the Years ended December 31, 2021, 2020 and 2019
(Amounts in thousands)

	<u>2021</u>	<u>2020</u>	<u>\$ Change</u>	<u>% Change</u>	<u>2019</u>
Revenue:					
Administrative fees	\$ 2,419	\$ 1,850	\$ 569	31%	\$ 1,591
Affiliate management fees	419	387	32	8%	363
Other income	459	439	20	5%	388
Total revenue	\$ 3,297	\$ 2,676	\$ 621	23%	\$ 2,342
Expenses:					
Salaries and benefits	\$ 1,905	\$ 2,004	\$ (99)	-5%	\$ 1,982
General and administrative	741	625	116	19%	726
Depreciation and other	118	118	-	0%	119
Total expenses	2,764	2,747	17	1%	2,827
Operating income (loss) before special project grants	533	(71)	604	-851%	(485)
Special grants and nonoperating revenue					
Net special project grants	(743)	(1,363)	620	-45%	853
Investment income (loss)	2	(127)	129	-102%	32
Interest income	7	37	(30)	-81%	107
Change in net position	\$ (201)	\$ (1,524)	\$ 1,323	-87%	\$ 507

3. Revenue Analysis:

Administrative Fees – Administrative fees are primarily collected from the issuance of various forms of tax abatements and tax-exempt financing. Fees for tax abatements are based on the amount of project investment. ECIDA relies on these fees to cover its operating costs; however, the amount of fees collected in any given year is largely dependent upon the local economic climate and the timing between project approval and project commencement. Administrative fees increased \$569,000 or 31% in 2021 primarily due to an increase in the number of projects induced (22 in 2021 compared to 14 in 2020), with an average project investment of over \$20 million. Administrative fees were collected related to 31 different projects in 2021, compared to 21 projects in 2020, signaling an increase in development activity.

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

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

The following table (Table 3) illustrates the amounts charged to ECIDA’s affiliated corporations in 2021 with comparisons for 2020 and 2019:

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

	<u>2021</u>	<u>2020</u>	<u>\$ Change</u>	<u>% Change</u>	<u>2019</u>
Affiliate Management Fees Charged:					
RDC	\$ 295	\$ 292	\$ 3	1%	\$ 302
ILDC	124	95	29	31%	61
Total Affiliate Management Fees	\$ 419	\$ 387	\$ 32	8%	\$ 363

Affiliate management fees charged to RDC increased \$3,000 or 1% primarily due to increased salary and benefit costs. Those charged to ILDC increased \$29,000 or 31% due to an increase in ECIDA staff time spent on ILDC’s projects during 2021. The micro-loan fund managed by ILDC had a significant increase in activity in 2021, and the ECIDA hired a project manager to oversee the ongoing development projects.

Other Income – Other income is comprised of rental income, international division revenues, loan interest, and miscellaneous income. The increase of \$20,000 or 5% in 2021 is due mainly to an increase in rental income related to one of ECIDA’s properties, which can vary from year to year. The increase in 2020 from 2019 related to an increase in rental income related to the same property.

4. Expense Analysis:

Salaries and Benefits – Decrease of \$99,000 in 2021 is primarily due to a \$36,000 decrease in accrued leave, a \$54,000 decrease in employee performance incentive costs, and a \$16,000 decrease in employee pension contributions. The Agency did not pay a performance incentive in 2021. Many employees ended 2020 with larger than usual accrued leave balances, which contributed to a decrease in expense in 2021. Pension contributions decreased due to newly hired employees not yet meeting eligibility requirements. These decreases were offset by a \$6,000 increase in payroll expense.

General and Administrative – In 2021, General and Administrative expenses increased \$116,000 from \$625,000 to \$741,000. Key expense differences in 2021 include the following:

- Consultant costs increased \$84,000. \$34,000 was paid as part of a contract for the required Comprehensive Economic Development Strategy (CEDS) update started in 2021. A total of \$39,000 was also paid to three recruiting firms that assisted with the placement of three new hires in 2021.
- Insurance costs increased \$31,000 because of overall market increases.
- Public notice costs increased \$17,000 due to an increase in projects in 2021. These costs relate to required notices for each project brought before the Agency board.

Depreciation – Depreciation expense was consistent at \$118,000 from 2020 to 2021.

Net Special Project Grants – Net Special Project Grants increased from a net loss of \$1,363,000 in 2020 to a net loss of \$743,000 in 2021. ECIDA established a COVID-19 Personal Protective Equipment (PPE) Grant program in 2020 in response to the state of emergency declared in New York State. \$559,000 of grants were expended in 2021. The ECIDA also granted \$213,000 to the ILDC to support carrying costs of property owned. In 2020, ECIDA granted \$855,000 to ILDC for the acquisition of property at the former Angola Airport site.

Investment Income (Loss) – The investment loss of \$127,000 in 2020 was due to a valuation decrease of one of ECIDA's venture capital investments.

5. Budget Analysis:

ECIDA prepares an annual budget which was presented and approved by the Board of Directors on October 28, 2020. The following table (Table 4) presents an analysis of ECIDA's performance compared to the approved 2021 budget.

Table 4
Budget to Actual Analysis for the year ended December 31, 2021
(Amounts in thousands)

	<u>Actual</u>	<u>Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Revenue:				
Administrative fees	\$ 2,419	\$ 1,800	\$ 619	34%
Affiliate management fees	419	407	12	3%
Other income	459	486	(27)	-6%
Total revenue	3,297	2,693	604	22%
Expenses:				
Salaries and benefits	1,905	1,953	(48)	-2%
General and administrative	741	705	36	5%
Depreciation and other	118	130	(12)	-9%
Total expenses	2,764	2,788	(24)	-1%
Operating loss before special project grants	533	(95)	628	-661%
Net special project grants	(744)	(2,891)	2,147	-74%
Investment income (loss)	2	-	2	100%
Interest income	7	40	(33)	-83%
Change in net position	\$ (202)	\$ (2,946)	\$ 2,744	-93%

Budget to Actual Analysis:

Overall, ECIDA exceeded its budgeted decrease in net position for 2021 by \$2,744,000. Total revenue was \$604,000, or 22%, above the budgeted amount due to both administrative fees and affiliate management fees in excess of budgeted amounts. Total expenses were \$24,000, or 1%, below budget. Net special project grants had a positive variance of \$2,147,000 as some of the budgeted special projects were not funded in 2021, including \$1,000,000 of venture capital activity and \$1,000,000 for a forgivable attraction loan, which were included in the budget as a placeholder. Interest income fell \$33,000 below budget, due to continued decreases in interest rates as a result of the COVID-19 pandemic.

6. Economic Factors Impacting ECIDA:

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

7. Requests for Information:

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

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 STATEMENTS OF NET POSITIONS
 FOR THE YEARS ENDED DECEMBER 31,

DRAFT

ASSETS	<u>2021</u>	<u>2020</u>
Current assets:		
Cash and cash equivalents	\$ 18,638,374	\$ 18,669,826
Receivables		
Affiliates	755,495	577,111
Grants	863,473	831,498
Other	111,804	126,734
Prepaid expenses	29,547	45,558
Total current assets	<u>20,398,693</u>	<u>20,250,727</u>
Noncurrent assets:		
Capital assets, net	1,164,083	1,249,227
Investments	506,886	506,886
Restricted cash	8,870,022	6,289,218
Total noncurrent assets	<u>10,540,991</u>	<u>8,045,331</u>
Total assets	<u>\$ 30,939,684</u>	<u>\$ 28,296,058</u>
LIABILITIES		
Current liabilities:		
Accounts payable	\$ 302,018	\$ 74,652
Accrued expenses	150,611	164,444
Unearned revenue	872,994	825,000
Total current liabilities	<u>1,325,623</u>	<u>1,064,096</u>
Noncurrent liabilities:		
Funds held on behalf of others	8,717,606	6,134,119
Total noncurrent liabilities	<u>8,717,606</u>	<u>6,134,119</u>
Total liabilities	<u>10,043,229</u>	<u>7,198,215</u>
NET POSITION		
Investment in capital assets	1,164,083	1,249,227
Restricted	11,434,813	11,646,524
Unrestricted	8,297,559	8,202,092
Total net position	<u>20,896,455</u>	<u>21,097,843</u>
Total liabilities and net position	<u>\$ 30,939,684</u>	<u>\$ 28,296,058</u>

See accompany notes

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

DRAFT

	<u>2021</u>	<u>2020</u>
Operating revenues:		
Administrative fees	\$ 2,419,283	\$ 1,850,078
Affiliate management fees and related income	419,100	387,152
Rental income	332,727	287,717
Other income	126,161	150,651
Total operating revenues	<u>3,297,271</u>	<u>2,675,598</u>
Operating expenses:		
Salaries and benefits	1,905,312	2,003,970
General and administrative	741,076	624,717
Depreciation	116,449	117,025
Other expenses	1,060	973
Total operating expenses	<u>2,763,897</u>	<u>2,746,685</u>
Operating income (loss) before special project grants	533,374	(71,087)
Special project grants:		
Revenues	5,484,283	112,937
Expenses	<u>(6,228,502)</u>	<u>(1,475,907)</u>
Net loss from special project grants	<u>(744,219)</u>	<u>(1,362,970)</u>
Operating loss	(210,845)	(1,434,057)
Nonoperating revenues (expenses):		
Investment income (loss)	2,425	(127,175)
Interest income	7,032	37,085
Total nonoperating revenues (expenses)	<u>9,457</u>	<u>(90,090)</u>
Change in net position	(201,388)	(1,524,147)
Net position - beginning of year	<u>21,097,843</u>	<u>22,621,990</u>
Net position - end of year	<u>\$ 20,896,455</u>	<u>\$ 21,097,843</u>

See accompany notes

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

DRAFT

	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Cash received from fees and rental income	\$ 2,766,940	\$ 2,137,710
Cash received from special project grants	5,500,302	194,166
Cash received from affiliates and other sources	366,877	514,343
Payments to employees, suppliers, and other	(2,417,904)	(2,750,975)
Payments for special project grants	(6,228,502)	(1,475,907)
Net cash used by operating activities	<u>(12,287)</u>	<u>(1,380,663)</u>
Cash flows from capital and related financing activities:		
Purchases of capital assets	(31,305)	(8,148)
Net cash used by capital and related financing activities	<u>(31,305)</u>	<u>(8,148)</u>
Cash flows from investing activities:		
Change in restricted cash, net of funds held on behalf of others	2,683	998,404
Cash received from equity investments	2,425	-
Interest	7,032	37,085
Net cash provided by investing activities	<u>12,140</u>	<u>1,035,489</u>
Net decrease in cash and cash equivalents	<u>(31,452)</u>	<u>(353,322)</u>
Cash and cash equivalents - beginning of year	<u>18,669,826</u>	<u>19,023,148</u>
Cash and cash equivalents - end of year	<u>\$ 18,638,374</u>	<u>\$ 18,669,826</u>
Reconciliation of operating loss to net cash used by operating activities:		
Operating loss	\$ (210,845)	\$ (1,434,057)
Adjustment to reconcile loss from operations to net cash used by operating activities:		
Depreciation expense	116,449	117,025
Increase in receivables	(195,429)	(523,609)
Decrease in prepaid expenses	16,011	30,560
Increase (decrease) in accounts payable	227,366	(136,990)
Decrease in accrued expenses	(13,833)	(14,885)
Increase in unearned revenue	47,994	581,293
Net cash used by operating activities	<u>\$ (12,287)</u>	<u>\$ (1,380,663)</u>

See accompany notes

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

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

ECIDA has related party relationships with Buffalo and Erie County Industrial Land Development Corporation (ILDC) and Buffalo and Erie County Regional Development Corporation (RDC). All three entities are managed by the same personnel and RDC currently shares a common board with ECIDA. These entities share the same mission, which is to provide the resources that encourage investment, innovation, 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.

B. BASIS OF PRESENTATION

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

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

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

D. TAX INCENTIVE TRANSACTIONS

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

ECIDA is an issuer of tax-exempt bond financing for qualified manufacturers and low-income housing projects. These bonds are obligations of the borrower. Since ECIDA has no obligation to repay the principal and interest of such bonds, they are not reflected as liabilities in the accompanying financial statements. ECIDA receives bond issuance fees from the borrower for providing this service. ECIDA also has a shared services agreement with ILDC under which administrative and staffing services are provided to ILDC in connection with its bond issuances to nonprofit organizations in exchange for the related bond issuance fees received by ILDC. Such fees totaled \$0 and \$382,050, respectively, for the years ended December 31, 2021 and 2020.

E. CASH AND CASH EQUIVALENTS

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

F. RESTRICTED ASSETS

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

G. PREPAID EXPENSES

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

H. CAPITAL ASSETS

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

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

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

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

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

I. INVESTMENTS

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

J. INSURANCE

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

K. GRANTS

Grants are recognized at the time awarded, with timing differences resulting from funds spent and earned. ECIDA receives special project grants from various Federal, State and County governments.

L. NET POSITION

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

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

M. STATEMENTS OF CASH FLOWS

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

N. USE OF ESTIMATES IN PREPARATION OF FINANCIAL STATEMENTS

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

O. ACCOUNTING PRONOUNCEMENTS

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

- Statement No. 87, *Leases*, which will be effective for the year ending December 31, 2022.
- Statement No. 91, *Conduit Debt Obligations*, which will be effective for the year ending December 31, 2022.
- Statement No. 92, *Omnibus 2020*, which will be effective for the year ending December 31, 2022.
- Statement No. 93, *Replacement of Interbank Offered Rates*, which 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 - CASH AND INVESTMENTS

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

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

As of December 31, 2021 and 2020, the ECIDA aggregate bank deposits were considered fully collateralized.

Investment and Deposit Policy

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

Interest Rate Risk

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

Credit Risk

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

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

Custodial Credit Risk

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

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

NOTE 3 - LOANS RECEIVABLE

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

During 2013, the ECIDA provided a \$1,000,000 forgivable loan to a manufacturing company. Half of that amount was immediately forgiven and the other \$500,000 will be forgiven in \$100,000 installments from 2019 through 2023 as long as the borrower maintains minimum employment requirements as set forth in the agreement. In 2021 this agreement was amended to extend the forgiveness period through 2024 due to effects of COVID-19 on the borrower's workforce. The portion not immediately forgiven is included in loans receivable and fully recognized in the allowance for uncollectible loans.

During the 2019 year, the ECIDA established an allowance for uncollectible loans amounting to \$400,000. There was no change to the allowance as of December 31, 2021.

NOTE 4 - GRANTS RECEIVABLE

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

	<u>2021</u>	<u>2020</u>
Buffalo Southern Railroad - 2017 PFRAP		
Rail Improvement	\$ 140	\$ 140
Sumitomo Dunlop Rail - PFRAP	6,358	6,358
National Grid - Zero Net Energy Building	125,000	125,000
EDA - Comprehensive Economic		
Development Strategy	50,000	-
Bethlehem Shoreline Enhancement	92,119	-
Bethlehem Water and Sewer Design	589,856	700,000
Total	<u>\$ 863,473</u>	<u>\$ 831,498</u>

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

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

	<u>2021</u>	<u>2020</u>
Erie County Regional Redevelopment Fund	\$ 1,846,057	\$ 1,528,292
Buffalo Brownfields Redevelopment Fund	561,316	217,484
Jemal's Seneca Fund	348,142	-
Seneca Street Corridor Fund	2,304,585	1,657,749
Main Street Improvement Fund	3,657,506	2,730,594
Total funds held on behalf of others	<u>8,717,606</u>	<u>6,134,119</u>
Other restricted cash:		
Railway Trust Fund	152,416	155,099
Total restricted cash	<u>\$ 8,870,022</u>	<u>\$ 6,289,218</u>

NOTE 6 - CAPITAL ASSETS

Capital asset activity for ECIDA for the year ended December 31, 2021 was as follows:

	Balance 01/01/2021	Increases	Decreases	Balance 12/31/2021
Capital assets not being depreciated:				
Land	\$ 167,400	\$ -	\$ -	\$ 167,400
Capital assets being depreciated:				
Land improvements	1,106,386	-	-	1,106,386
Buildings	2,747,489	-	-	2,747,489
Furniture and equipment	471,536	31,305	32,696	470,145
Total capital assets, being depreciated	4,325,411	31,305	32,696	4,324,020
Less accumulated depreciation:				
Land improvements	825,348	54,528	-	879,876
Buildings	1,990,421	36,043	-	2,026,464
Furniture and equipment	427,815	25,878	32,696	420,997
Total accumulated depreciation	3,243,584	116,449	32,696	3,327,337
Total capital assets being depreciated, net	1,081,827	(85,144)	-	996,683
Total capital assets, net	\$ 1,249,227	\$ (85,144)	\$ -	\$ 1,164,083

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

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

NOTE 7 - INVESTMENTS

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

	<u>2021</u>		<u>2020</u>	
	<u>Cost</u>	<u>Fair value</u>	<u>Cost</u>	<u>Fair value</u>
Equity interest	\$ 913,136	\$ 506,886	\$ 913,136	\$ 506,886

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

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

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

Following is a description of the valuation methodology used at December 31, 2021 and 2020:

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

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

NOTE 8 - UNEARNED REVENUE

ECIDA received a grant from Erie County in the amount of \$700,000 in July 2020 to support the design, engineering and construction administration of water and sewer utility extensions and upgrades on the former Bethlehem Steel property. As of December 31, 2021, the ECIDA has recognized \$124,379 of revenue leaving \$575,621 as unearned (2020 - \$0).

ECIDA received an Economic Development Program grant from National Grid in the amount of \$125,000 in January 2017. As of December 31, 2021 and 2020, the entirety of that amount is included as unearned revenue as ECIDA has not yet met the requirements to recognize grant funds as revenue.

ECIDA received a grant from the NYS Department of State in the amount of \$122,825 in June 2020 to support the construction and administration of Shoreline Trail enhancements on the former Bethlehem Steel property. As of December 31, 2021, the ECIDA has received and recognized \$452 of revenue leaving \$122,373 as unearned (2020 - \$0).

ECIDA received a grant from the EDA in the amount of \$50,000 in October 2021 to support the Comprehensive Economic Development Strategy recovery plan implementation. As of December 31, 2021, \$50,000 remained unearned.

NOTE 9 - RELATED PARTY TRANSACTIONS

Affiliate Management Fees

ECIDA allocates a portion of personnel and rental costs to its affiliates, RDC and ILDC. ECIDA earned \$419,100 and \$387,152 in affiliate management fees and rental costs for the years ended December 31, 2021 and 2020, respectively. Management fees and related receivables by affiliate are as follows:

	Management Fees and Rental Costs		Receivables	
	2021	2020	2021	2020
	RDC	\$ 294,566	\$ 292,107	\$ 297,384
ILDC	124,534	95,045	458,111	283,473
Total	\$ 419,100	\$ 387,152	\$ 755,495	\$ 577,111

ECIDA also provides personnel to perform administrative and accounting functions on behalf of Buffalo Urban Development Corporation, which amounted to \$92,601 and \$119,444 for the years ended December 31, 2021 and 2020, respectively. BUDC administration fees are included in other income on the Statements of Revenues and Expenses.

NOTE 10 - OPERATING LEASES

Office rent expense for the years ended December 31, 2021 and 2020 amounted to \$190,586 and \$191,473, respectively.

The ECIDA's office lease agreement with Empire State Development is effective for the period of October 1, 2015 through September 30, 2023. This lease agreement states a base lease amount of \$176,633 per annum plus utility charges that will be determined on an annual basis.

ECIDA recognized \$213,681 and \$213,529 of rental income on its former office for the years ended December 31, 2021, and 2020, respectively. The net book value of the leased property is approximately \$941,600 and \$1,047,300 at December 31, 2021 and 2020, respectively.

Future annual rental income anticipated under this noncancelable lease is:

2022	\$ 218,613
2023	230,856
2024	230,856
2025	230,856
2026	230,856
2027	134,666
Total	\$ <u>1,276,703</u>

NOTE 11 - PENSION

ECIDA maintains a defined contribution simplified employee pension (SEP) plan covering all of its employees. Employees are eligible to participate six months after employment, with employer contributions vesting immediately. During 2021 and 2020, ECIDA made discretionary contributions of 12% of eligible employees' salaries. ECIDA's expense for contribution to the plan for the years ended December 31, 2021 and 2020 amounted to \$157,973 and \$173,647, respectively. Employees are also permitted to participate in the New York State Deferred Compensation Plan but ECIDA does not make contributions to this plan.

NOTE 12 - SUBSEQUENT EVENTS

In January 2022, ECIDA's tenant exercised the renewal option for the lease of 143 Genesee Street. The term of the lease is extended through July 2027.

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, other than the event noted above, that require disclosure under generally accepted accounting principles.

DRAFT

SUPPLEMENTARY INFORMATION

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 COMBINING STATEMENT OF NET POSITION
 FOR THE YEAR ENDED DECEMBER 31, 2021

DRAFT

	<u>General Account</u>	<u>UDAG Account</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 7,851,663	\$ 10,786,711	\$ 18,638,374
Receivables			
Affiliates	500,890	254,605	755,495
Grants	813,473	50,000	863,473
Other	111,804	-	111,804
Prepaid expenses	29,547	-	29,547
Total current assets	<u>9,307,377</u>	<u>11,091,316</u>	<u>20,398,693</u>
Noncurrent assets:			
Capital assets, net	1,164,083	-	1,164,083
Investments	100,639	406,247	506,886
Restricted cash	8,870,022	-	8,870,022
Total noncurrent assets	<u>10,134,744</u>	<u>406,247</u>	<u>10,540,991</u>
Total assets	<u>\$ 19,442,121</u>	<u>\$ 11,497,563</u>	<u>\$ 30,939,684</u>
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 289,268	\$ 12,750	\$ 302,018
Accrued expenses	150,611	-	150,611
Unearned revenue	822,994	50,000	872,994
Total current liabilities	<u>1,262,873</u>	<u>62,750</u>	<u>1,325,623</u>
Noncurrent liabilities:			
Funds held on behalf of others	8,717,606	-	8,717,606
Total noncurrent liabilities	<u>8,717,606</u>	<u>-</u>	<u>8,717,606</u>
Total liabilities	9,980,479	62,750	10,043,229
NET POSITION			
Investment in capital assets	1,164,083	-	1,164,083
Restricted	-	11,434,813	11,434,813
Unrestricted	8,297,559	-	8,297,559
Total net position	<u>9,461,642</u>	<u>11,434,813</u>	<u>20,896,455</u>
Total liabilities and net position	<u>\$ 19,442,121</u>	<u>\$ 11,497,563</u>	<u>\$ 30,939,684</u>

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
 COMBINING STATEMENT OF REVENUE, EXPENSES AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED DECEMBER 31, 2021

DRAFT

	<u>General Account</u>	<u>UDAG Account</u>	<u>Total</u>
Operating revenues:			
Administrative fees	\$ 2,419,283	\$ -	\$ 2,419,283
Affiliate management fees and rental income	419,100	-	419,100
Rental income	332,727	-	332,727
Other income	126,161	-	126,161
Total operating revenues	<u>3,297,271</u>	<u>-</u>	<u>3,297,271</u>
Operating expenses:			
Salaries and benefits	1,905,312	-	1,905,312
General and administrative	706,129	34,947	741,076
Depreciation	116,449	-	116,449
Other expenses	1,060	-	1,060
Total operating expenses	<u>2,728,950</u>	<u>34,947</u>	<u>2,763,897</u>
Operating income(loss) before special project grants	568,321	(34,947)	533,374
Special project grants:			
Revenues	5,379,783	104,500	5,484,283
Expenses	(5,940,551)	(287,951)	(6,228,502)
Net loss from special project grants	<u>(560,768)</u>	<u>(183,451)</u>	<u>(744,219)</u>
Operating income (loss)	7,553	(218,398)	(210,845)
Nonoperating revenues:			
Investment income	-	2,425	2,425
Interest income	2,770	4,262	7,032
Total nonoperating revenues	<u>2,770</u>	<u>6,687</u>	<u>9,457</u>
Change in net position	10,323	(211,711)	(201,388)
Net position - beginning of year	<u>9,451,319</u>	<u>11,646,524</u>	<u>21,097,843</u>
Net position - end of year	<u>\$ 9,461,642</u>	<u>\$ 11,434,813</u>	<u>\$ 20,896,455</u>

DRAFT

INTERNAL CONTROL AND COMPLIANCE

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

INDEPENDENT AUDITOR'S REPORT

To the Members of the
Erie County Industrial Development Agency

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Erie County Industrial Development Agency (the ECIDA), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise ECIDA's financial statements, and have issued our report thereon dated XXXX, 2022.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Buffalo, New York
XXXX, 2022

DRAFT

**AUDITED
FINANCIAL STATEMENTS**

BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION

DECEMBER 31, 2021

	<u>Page</u>
FINANCIAL SECTION	
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-7
Financial Statements	
Statements of Net Position	8
Statements of Revenues, Expenses, and Changes in Net Position	9
Statements of Cash Flows	10
Notes to Financial Statements	11-15
Supplementary Information	
Combining Statement of Net Position	16
Combining Statement of Revenues, Expenses and Changes in Net Position	17
Schedule of Expenditures of Federal Awards	18
Notes to the Schedule of Expenditures of Federal Awards	19-20
INTERNAL CONTROL AND COMPLIANCE	
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	21-22
Independent Auditor's Report on Compliance for each Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance	23-25
Schedule of Findings and Questioned Costs	26
Schedule of Prior Year Findings and Questioned Costs	27

DRAFT

FINANCIAL SECTION

BUFFALO & ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION**Management's Discussion and Analysis****December 31, 2021
(UNAUDITED)**

Buffalo & Erie County Regional Development Corporation (RDC) was incorporated for the purpose of encouraging the expansion of existing companies in target areas of Erie County (the County) by establishing a revolving loan fund (RLF). The U.S. Department of Commerce Economic Development Administration (EDA) is the oversight body of one of the RDC's RLFs. A Loan Administration Plan (LAP) that outlines the RDC's lending processes and goals is approved by EDA every five years. The EDA released its federal interest in the RDC's Legacy (original) RLF during 2021.

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

In compliance with GASB Statement No. 34, we present the attached overview and analysis of the financial activities of RDC as of and for the years ended December 31, 2021, 2020 and 2019. We encourage readers to consider the information presented here in conjunction with RDC's audited financial statements.

In 2021 the RDC continued to be impacted by the COVID-19 pandemic and state of emergency declaration in New York State. RDC was afforded certain flexibilities by the EDA, which allowed RDC to work with borrowers to defer loan payments, if needed. Under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, EDA awarded \$5 million to ECIDA to capitalize a new RLF, which ECIDA sub-granted to RDC to administer.

Basic Overview of the Financial Statements

Included in this report are the following financial statements:

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

Financial Highlights

- RDC's total net position increased slightly from \$17,015,000 in 2020 to \$21,753,000 in 2021.
- RDC experienced an increase in net position of \$4,738,000 in 2021 compared to a decrease of \$27,000 in 2020.
- Operating revenues increased 15% from \$388,000 in 2020 to \$447,000 in 2021.
- Operating expenses increased 52% from \$541,000 in 2020 to \$823,000 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 RDC.

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	\$ 7,790	\$ 6,543	\$ 1,247	19%	\$ 7,650
Accounts receivable	10	11	(1)	100%	-
Loans receivable, net	14,250	10,758	3,492	32%	9,720
Total assets	\$ 22,050	\$ 17,312	\$ 4,738	27%	\$ 17,370
Liabilities:					
Accounts payable	\$ -	\$ 3	\$ (3)	-100%	\$ 24
Due to affiliate	297	294	3	1%	303
Total liabilities	297	297	-	0%	327
Net position:					
Restricted	21,753	17,015	4,738	28%	17,043
Total net position	21,753	17,015	4,738	28%	17,043
Total liabilities and net position	\$ 22,050	\$ 17,312	\$ 4,738	27%	\$ 17,370

Cash – RDC's cash balance increased 19% or \$1,247,000 primarily due to loan repayments in 2021. The cash decrease from \$7,650,000 in 2019 to \$6,543,000 in 2020 was a result of loan disbursements.

Loans Receivable, net – Loans receivable relate to the RLFs operated by RDC, net of an allowance. Loans receivable increased \$3,492,000, or 32% from 2020 to 2021, due to loans closed during 2021. Most of the loans closed were new capital into the RLF through the CARES Act sub-grant award. The increase in loans receivable from \$9,720,000 in 2019 to \$10,758,000 in 2020 was a result of new loans in 2020.

Due to Affiliate – Due to affiliate reflects the amount due to ECIDA under a shared services agreement for personnel and overhead at the end of the year. The \$3,000 increase in due to affiliate from 2020 to 2021 reflects increased hourly rates charged to RDC by ECIDA employees. The decrease in amounts due to affiliate from \$303,000 in 2019 to \$294,000 in 2020 related mainly to a reduction in hours charged.

2. Change in Net Position:

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

Table 2
Change in Net Position for the Years ended December 31, 2021, 2020 and 2019
(Amounts in thousands)

	<u>2021</u>	<u>2020</u>	<u>\$ Change</u>	<u>% Change</u>	<u>2019</u>
Operating revenue:					
Interest from loans	\$ 447	\$ 375	\$ 72	19%	\$ 491
Loan commitment fees	-	13	(13)	-100%	9
Total revenue	<u>\$ 447</u>	<u>\$ 388</u>	<u>\$ 59</u>	<u>15%</u>	<u>\$ 500</u>
Operating expenses:					
General and administrative	\$ 405	\$ 450	\$ (45)	-10%	\$ 377
Loan loss expense, net recoveries	418	91	327	359%	1,441
Total expenses	<u>823</u>	<u>541</u>	<u>282</u>	<u>52%</u>	<u>1,818</u>
Operating income (loss)	(376)	(153)	(223)	146%	(1,318)
Nonoperating revenue					
Interest income	3	15	(12)	-80%	38
Grant contributions	5,111	111	5,000	100%	-
Change in net position	<u>\$ 4,738</u>	<u>\$ (27)</u>	<u>\$ 4,765</u>	<u>-17648%</u>	<u>\$ (1,280)</u>

3. Revenue Analysis:

Interest from Loans – Interest on loans is collected from borrowers in accordance with the terms of each promissory note. RDC loans bear interest at rates ranging from 1% to 6.5%, in accordance with the Loan Administration Plan provisions in effect at the time the loan is approved. Interest income from loans increased \$72,000, or 19%, from 2020 to 2021 as a result of the expiration of deferral periods approved in 2020. Many borrowers had a period of interest deferral during 2020 due to the COVID-19 pandemic. Interest decreased from \$491,000 in 2019 to \$375,000 in 2020 due to this deferral period.

Loan Commitment Fees – Loan commitment fees are generally charged on loans greater than \$100,000. Commitment fees vary from year to year depending on the dollar amounts of individual loans. In 2020 and 2021 there were relaxations afforded to commitment fees as a result of the COVID-19 pandemic.

4. Expense Analysis:

General and Administrative – In 2021, general and administrative expenses decreased \$45,000 from \$450,000 to \$405,000. The decrease in general and administrative expenses is attributable mainly to legal expenses. Legal expenses increased \$77,000 from 2019 to 2020 due to higher costs associated with four delinquent loans. The four delinquent loans were written off at December 31, 2020, and legal costs returned to a more typical level in 2021.

Loan Loss Expense, net Recoveries – Loan loss expense, net recoveries consists of the dollar amount of loan loss expense in a year, plus any loan recoveries during that same year of previously written off loans. In 2021, loan loss expense was \$474,000, net of \$56,000 of loan recoveries. This was an increase from 2020, when loan loss expense was \$112,000, net of \$21,000 of loan recoveries. There were no loans written off in 2021, however a reserve was established for loans in the CARES Act RLF.

Grant Contributions – Grant contributions relate directly to amounts sub-granted from ECIDA under the CARES Act RLF. The RLF was established in 2020 and there was \$5,111,000 granted in 2021 related to loans and administrative costs, compared to \$111,000 granted in 2020.

5. Budget Analysis:

RDC 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 RDC's performance compared to the approved 2021 budget.

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

	<u>Actual</u>	<u>Budget</u>	<u>\$ Variance</u>	<u>% Variance</u>
Operating revenue:				
Interest from loans	\$ 447	\$ 540	\$ (93)	-17%
Loan commitment fees	-	15	(15)	-100%
Total revenue	447	555	(108)	-19%
Operating expenses:				
General and administrative	405	468	(63)	-13%
Loan loss expense, net recoveries	418	245	173	71%
Total expenses	823	713	110	15%
Operating income (loss)	(376)	(158)	(218)	138%
Interest income	3	2	1	50%
Grant contributions	5,111	-	5,111	100%
Change in net position	\$ 4,738	\$ (156)	\$ 4,894	-3137%

Budget to Actual Analysis:

Overall, RDC exceeded its budgeted decrease in net position for 2021 by \$4,894,000. Total operating revenue was \$108,000, or 19%, below the budgeted amount due to lower interest income from loans in 2021. This is a direct result of the terms of loans made under the CARES Act RLF, which include one year of no payments, then one year of interest only payments. Total expenses were \$110,000, or 15%, above budget. The 2021 grant contributions were not part of the 2021 approved budget.

6. Economic Factors Impacting RDC:

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

7. Requests for Information:

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

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

DRAFT

	<u>2021</u>	<u>2020</u>
ASSETS		
Current assets:		
Cash	\$ 7,790,415	\$ 6,542,915
Accounts receivable	5,329	11,015
Grants receivable	4,839	-
Loans receivable	<u>1,415,466</u>	<u>1,078,654</u>
Total current assets	<u>9,216,049</u>	<u>7,632,584</u>
Noncurrent assets:		
Loans receivable, net	<u>12,834,682</u>	<u>9,679,043</u>
Total assets	<u>\$ 22,050,731</u>	<u>\$ 17,311,627</u>
LIABILITIES		
Accounts payable	\$ 133	\$ 2,659
Due to affiliate	<u>297,384</u>	<u>293,638</u>
Total liabilities	<u>297,517</u>	<u>296,297</u>
NET POSITION		
Restricted	<u>21,753,214</u>	<u>17,015,330</u>
Total net position	<u>21,753,214</u>	<u>17,015,330</u>
Total liabilities and net position	<u>\$ 22,050,731</u>	<u>\$ 17,311,627</u>

See accompanying notes.

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

DRAFT

	<u>2021</u>	<u>2020</u>
OPERATING REVENUES		
Interest from loans	\$ 447,255	\$ 374,671
Loan commitment fees	-	13,000
Total operating revenues	<u>447,255</u>	<u>387,671</u>
OPERATING EXPENSES		
General and administrative	405,359	450,214
Loan loss expense, net recoveries	417,627	91,217
Total operating expenses	<u>822,986</u>	<u>541,431</u>
Operating loss	(375,731)	(153,760)
NONOPERATING REVENUES		
Interest income	2,586	15,013
Grant contributions	5,111,029	111,015
Total nonoperating revenues	<u>5,113,615</u>	<u>126,028</u>
Change in net position	4,737,884	(27,732)
Net position - beginning of year	<u>17,015,330</u>	<u>17,043,062</u>
Net position - end of year	<u>\$ 21,753,214</u>	<u>\$ 17,015,330</u>

See accompanying notes.

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

DRAFT

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments collected on loans receivable	\$ 2,018,149	\$ 2,530,186
Loan interest and fees	447,255	387,671
Loans awarded	(5,940,090)	(3,680,070)
Payments from vendors and affiliates	(5,329)	-
Payments to vendors and affiliates	(404,139)	(480,661)
Loan loss recoveries	11,863	20,561
Net cash used by operating activities	<u>(3,872,291)</u>	<u>(1,222,313)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	2,586	15,013
Net cash provided by investing activities	<u>2,586</u>	<u>15,013</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
CARES Act subgrant	5,117,205	100,000
Net cash provided by financing activities	<u>5,117,205</u>	<u>100,000</u>
Net increase (decrease) in cash	1,247,500	(1,107,300)
Cash - beginning of year	<u>6,542,915</u>	<u>7,650,215</u>
Cash - end of year	<u>\$ 7,790,415</u>	<u>\$ 6,542,915</u>
Reconciliation of operating loss to		
net cash used by operating activities:		
Operating loss	\$ (375,731)	\$ (153,760)
Adjustment to reconcile operating loss to		
net cash used by operating activities:		
Provision for loan loss	429,490	111,778
Increase in accounts receivable	(5,329)	-
Increase in loans receivable	(3,921,941)	(1,149,884)
Decrease in accounts payable	(2,526)	(21,064)
Increase (decrease) in due to affiliate	<u>3,746</u>	<u>(9,383)</u>
Net cash used by operating activities	<u>\$ (3,872,291)</u>	<u>\$ (1,222,313)</u>

See accompanying notes.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

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

RDC has related party relationships with the Erie County Industrial Development Agency (ECIDA) and Buffalo and Erie County Industrial Land Development Corporation (ILDC). All three entities are managed by the same personnel and the RDC currently shares a common board with ECIDA. These entities share the same mission, which is to provide the resources that encourage investment, innovation, 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, the RDC is not considered a component unit of another entity.

B. BASIS OF PRESENTATION

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

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

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

D. INCOME TAXES

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

E. LOANS RECEIVABLE

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

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

Interest on loans receivable is accrued as required by the terms of the agreement. Management considers that collection is probable based on the current economic condition of the borrower. Accrual of interest ceases when management adjusts a loan reserve to 50% or more of the loan's outstanding balance. RDC is not accruing interest on any loans as of December 31, 2021 or 2020.

F. INSURANCE

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

G. NET POSITION

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

- a. Restricted – Consists of net positions with constraints on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted – all other net positions that do not meet the definition of "restricted."

H. STATEMENTS OF CASH FLOWS

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

I. 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.

J. ACCOUNTING PRONOUNCEMENTS

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

- Statement No. 87, *Leases*, which will be effective for the year ending December 31, 2022.
- Statement No. 91, *Conduit Debt Obligations*, which will be effective for the year ending December 31, 2022.
- Statement No. 92, *Omnibus 2020*, which will be effective for the year ending December 31, 2022.
- Statement No. 93, *Replacement of Interbank Offered Rates*, which 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

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

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

As of December 31, 2021 and 2020, the RDC’s aggregate bank deposits were considered fully collateralized.

Investment and Deposit Policy

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

Interest Rate Risk

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

Credit Risk

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

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

Custodial Credit Risk

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

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

2. LOANS RECEIVABLE

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

In August of 2020, the ECIDA entered into a financial assistance award agreement with the U.S. Economic Development Administration (EDA) amounting to \$5,415,694 to fund the CARES Act Revolving Loan Fund to assist the region due to the COVID-19 pandemic. RDC is a subrecipient of this grant award and administers the revolving loan fund. As of December 31, 2021, \$5,000,000 was received and issued as loans and \$222,044 of revenue related to administrative costs has been recognized (2020 -\$100,000 and \$0).

RDC provides low-interest loans to businesses located in Erie County in order to encourage economic development.

Loans under the CARES Act EDA award agreement provide for no interest to be charged to the recipient for the first year of the loan, and interest only payments for the second year of the loan. Principal payments ensue in the third year of the loan. Loans receivable consisted of the following at December 31:

	<u>2021</u>	<u>2020</u>
Total loans receivable	\$ 14,861,051	\$ 10,939,109
Less: provision for loan loss	<u>610,903</u>	<u>181,412</u>
Loans receivable, net	14,250,148	10,757,697
Less: current portion	<u>1,415,466</u>	<u>1,078,654</u>
Loans receivable - long-term	<u>\$ 12,834,682</u>	<u>\$ 9,679,043</u>

The RDC's policy is to present loans receivable net of a provision for loan loss. At December 31, 2021 and 2020, the allowance for uncollectible loans was \$610,903 and \$181,412, respectively.

At December 31, 2021, the loans awarded to local businesses bear interest at rates ranging from 1% to 6.5% with varying payment terms. All loans are classified as commercial.

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

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>
2022	\$ 1,362,323	\$ 350,439
2023	1,884,394	323,324
2024	2,188,932	256,821
2025	2,170,448	193,042
2026	2,414,733	126,108
Thereafter	4,727,369	130,880
Total	\$ <u>14,748,199</u>	\$ <u>1,380,614</u>

This schedule does not include the variable interest rate loans that are administered by various financial institutions. The total outstanding balance of those loans is \$112,852 at December 31, 2021 with a current portion in the amount of \$53,143.

B. EXPENSES

ECIDA allocates a portion of its personnel and overhead costs to the RDC based on a cost allocation plan. Costs allocated by ECIDA amounted to \$294,567 and \$292,106 for the years ended December 31, 2021 and 2020, respectively. Amounts owed to ECIDA at December 31, 2021 and 2020 totaled \$297,384 and \$293,638, respectively.

NOTE 3. CONTINGENCIES

Economic Development Administration Revolving Loan Fund Risk Analysis System

RDC is required to comply with EDA regulations regarding the utilization of revolving loan funds for the CARES Act Revolving Loan Fund (RLF). These regulations are based on measures applied by the EDA's risk analysis system. The CARES Act RLF was in the disbursement phase as of December 31, 2021, and has not yet received its first risk rating. Upon the RLF commencing the revolving phase in 2022, the risk analysis will be updated on an annual basis determined by reports submitted by the RDC to the EDA within 90 days following the RDC year end.

NOTE 4. SUBSEQUENT EVENTS

Management has evaluated subsequent events through XXX, 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 REGIONAL DEVELOPMENT CORPORATION
 COMBINING STATEMENT OF NET POSITION
 DECEMBER 31, 2021**

DRAFT

	<u>Legacy (EDA) Account</u>	<u>CARES Act Account</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash	\$ 7,410,874	\$ 379,541	\$ 7,790,415
Accounts receivable	-	5,329	5,329
Grants receivable	-	4,839	4,839
Loans receivable	1,415,466	-	1,415,466
Total current assets	<u>8,826,340</u>	<u>389,709</u>	<u>9,216,049</u>
Noncurrent assets:			
Loans receivable, net	<u>8,568,682</u>	<u>4,266,000</u>	<u>12,834,682</u>
Total assets	<u>\$ 17,395,022</u>	<u>\$ 4,655,709</u>	<u>\$ 22,050,731</u>
LIABILITIES			
Accounts payable	\$ 127	\$ 6	\$ 133
Due to affiliate	167,773	129,611	297,384
Total liabilities	<u>167,900</u>	<u>129,617</u>	<u>297,517</u>
NET POSITION			
Restricted	<u>17,227,122</u>	<u>4,526,092</u>	<u>21,753,214</u>
Total net position	<u>17,227,122</u>	<u>4,526,092</u>	<u>21,753,214</u>
Total liabilities and net position	<u>\$ 17,395,022</u>	<u>\$ 4,655,709</u>	<u>\$ 22,050,731</u>

**BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
 FOR THE YEAR ENDED DECEMBER 31, 2021**

DRAFT

	<u>Legacy (EDA) Account</u>	<u>CARES Act Account</u>	<u>Total</u>
OPERATING REVENUES			
Interest from loans	\$ 447,188	\$ 67	\$ 447,255
Total operating revenues	<u>447,188</u>	<u>67</u>	<u>447,255</u>
OPERATING EXPENSES			
General and administrative	194,329	211,030	405,359
Loan loss expense (recoveries)	<u>(56,373)</u>	<u>474,000</u>	<u>417,627</u>
Total operating expenses	<u>137,956</u>	<u>685,030</u>	<u>822,986</u>
Operating income (loss)	309,232	(684,963)	(375,731)
NONOPERATING REVENUES			
Interest income	2,560	26	2,586
Grant contributions	<u>-</u>	<u>5,111,029</u>	<u>5,111,029</u>
Total nonoperating revenues	<u>2,560</u>	<u>5,111,055</u>	<u>5,113,615</u>
Change in net position	311,792	4,426,092	4,737,884
Net position - beginning of year	<u>16,915,330</u>	<u>100,000</u>	<u>17,015,330</u>
Net position - end of year	<u>\$ 17,227,122</u>	<u>\$ 4,526,092</u>	<u>\$ 21,753,214</u>

**BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR YEAR ENDED DECEMBER 31, 2021**

DRAFT

Federal Grantor/Pass Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Pass-Through to Subrecipients	Total Federal Expenditures
U.S. Department of Commerce				
<i>Passed through Erie County Industrial Development Agency</i>				
Economic Adjustment Assistance	11.307	Various	\$ -	\$ 12,836,856
COVID 19 - Economic Adjustment Assistance-CARES Act	11.307	01-79-15022	-	5,330,571
<i>Total Economic Development Cluster</i>			-	<u>18,167,427</u>
<i>Total U.S. Department of Commerce</i>			-	<u>18,167,427</u>
Total Expenditures of Federal Awards			\$ -	\$ <u>18,167,427</u>

See notes to Schedule of Expenditures of Federal Awards.

NOTE 1 - BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Buffalo and Erie County Regional Development Corporation (RDC), under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Federal awards passed through from other governmental agencies are included in the schedule. Because the Schedule presents only a selected portion of the operations of the RDC, it is not intended and does not present the financial position, changes in net position, or cash flows of the RDC.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3 - ECONOMIC ADJUSTMENT ASSISTANCE PROGRAM

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

Economic Adjustment Assistance	
EDA grants	\$ 12,466,574
Total revolving loan funds	16,622,098
Total EDA share	<u>75%</u>
Cash	\$ 6,845,281
Outstanding loans receivable, 9/30/2021	10,270,527
Sum of EDA dollars/Total project costs	<u>17,115,808</u>
Total EDA share (<i>noted above</i>)	75%
Total economic assistance	<u>\$ 12,836,856</u>

NOTE 4 - ECONOMIC ADJUSTMENT ASSISTANCE PROGRAM – CARES ACT

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

Economic Adjustment Assistance - CARES Act	
Cash	\$ 379,541
Outstanding loans receivable, 12/31/2021	4,740,000
Administrative cost allowance	211,030
Loan write-offs	-
Sum of EDA dollars/Total project costs	<u>5,330,571</u>
Total EDA share	100% *
Total economic adjustment assistance	<u>\$ 5,330,571</u>

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

NOTE 5 - INDIRECT COST RATE

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

NOTE 6 – REVOLVING LOAN FUND DEFEDERALIZATION

During the current year RDC was approved through the Reinvigorating Lending for the Future Act to release its EDA federal interest in the Revolving Loan Fund (RLF). This release of federal interest as of September 30, 2021 in the amount of \$12,836,856, is due to the Revolving Loan Fund awards operating satisfactorily for seven years beyond the disbursement of grant funds.

DRAFT

INTERNAL CONTROL AND COMPLIANCE

**BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED DECEMBER 31, 2021**

DRAFT

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

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

Unmodified

Internal control over financial reporting:

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

 Yes X No
 Yes X None Reported

Noncompliance material to financial statements noted?

 Yes X No

Federal Awards

Internal control over major federal programs:

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

 Yes X No
 Yes X None Reported

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

Unmodified

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

 Yes X No

Identification of major federal programs:

CFDA Number(s)

Name of Federal Program

11.307

Economic Adjustment Assistance

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

\$ 750,000

Auditee qualified as low-risk auditee?

 X Yes No

II. FINDINGS - FINANCIAL STATEMENT AUDIT

There were no findings related to the financial statement audit noted for the year ended December 31, 2021.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS SECTION

There were no findings or questioned costs related to federal awards noted for the year ended December 31, 2021.

I. FINANCIAL STATEMENT AUDIT

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

II. FEDERAL AWARD FINDINGS AND QUESTIONED COST SECTION

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

DRAFT

**AUDITED
FINANCIAL STATEMENTS**

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

DECEMBER 31, 2021

	<u>Page</u>
FINANCIAL SECTION	
Independent Auditor's Report	1-3
Management's Discussion and Analysis	4-8
Basic Financial Statements:	
Statements of Net Position	9
Statements of Revenues, Expenses and Changes in Net Position	10
Statements of Cash Flows	11
Notes to Financial Statements	12-17
Supplementary Information:	
Combining Statement of Net Position	18
Combining Statement of Revenues, Expenses and Changes in Net Position	19
INTERNAL CONTROL AND COMPLIANCE	
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	20-21

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.ecidany.com.

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

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	<u>1,443</u>	<u>37</u>
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>

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

2021 ANNUAL REPORT
(For purposes of Section 2800(2) of the Public Authorities Law)

Description of the Agency:

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

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

- 1) **Buffalo and Erie County Regional Development Corporation (RDC).** This is a lending corporation that administers two revolving loan funds. The first was capitalized by an Economic Development Administration (EDA) grant with matching funds from the City of Buffalo, and the second was capitalized by a 2020 EDA grant as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act. During 2021, the EDA released its federal interest in the original (“Legacy”) revolving loan fund.
- 2) **Buffalo and Erie County Industrial Land Development Corporation (ILDC).** The ILDC takes ownership of distressed properties in order to remediate and return them to productive use. The ILDC was restructured in 2009 to allow it to issue tax-exempt interest debt on behalf of Erie County to assist local not-for-profit organizations finance development projects at a lower cost. On behalf of Erie County, the ILDC also administers the Erie County Business Development Fund, a micro-loan program funded from HUD Community Development Block Grant sources.

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

Purpose of the Annual Report:

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

1. Operations and accomplishments
2. Financial Reports
3. Mission Statement & Measurements
4. Bonds and notes outstanding
5. Compensation (for those earning \$100,000 +)
6. Projects undertaken during the year
7. Property Report
8. Code of Ethics
9. An assessment of internal control structure and effectiveness
10. Legislation that forms the statutory basis of the authority

11. Board structure
12. By-Laws
13. Listing of material changes in operations and programs
14. Four-year Financial Plan
15. Board Performance Evaluations
16. Assets/Services bought or sold without competitive bidding
17. Description of material pending litigation

In compliance with the Public Authorities Law, the following required information is presented for the fiscal year ended December 31, 2021.

1. Operations & Accomplishments:

A report on the 2021 operations and accomplishments of the ECIDA and its affiliates is posted on the ECIDA's website at <http://www.ecidany.com/about-us-corporate-reports>.

2. Financial Reports:

i) Audited Financial Statements:

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

The financial statements are audited on an annual basis by independent auditors, Freed Maxick CPAs, P.C. In their opinion, the financial statements present fairly, in all material respects, the financial position of the ECIDA and its affiliates as of December 31, 2021, and the changes in net assets and its cash flows for the years then ended in conformity with accounting principals generally accepted in the United States of America.

ii) Grants & Subsidy Programs:

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

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

iii) Operating & Financial Risks:

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

- New York State Legislation – The New York State Legislature can impose various restrictions on the ability of Industrial Development Agencies to provide tax incentives which could significantly impact the revenue of the ECIDA.

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

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

iv) Current bond ratings:

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

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

The ECIDA has long-term liabilities that are recorded on its financial statements related to funds held on behalf of others under certain fiduciary arrangements as outlined in the notes to the ECIDA audited financial statements. The ECIDA does not have any long-term liabilities under employee benefit plans as ECIDA employees are not covered by any defined benefit pension plans or provided with any post-retirement benefits.

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

3. Mission Statement & Performance Measurements:

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

4. Schedule of Bonds and Notes Outstanding:

Attachment 2 summarizes the ECIDA’s and ILDC’s bonds and notes outstanding at December 31, 2021. The indebtedness shown on these schedules is conduit debt and is **not** an obligation of the ECIDA, ILDC, Erie County or New York State. Neither the ECIDA nor the ILDC records the assets or liabilities resulting from completed bond and note issues in their accounts since their primary function is to facilitate the financing between the borrowing companies and the bond and note holders.

5. Compensation Schedule:

See Attachment 3 for a list of ECIDA employees who had a salary exceeding \$100,000 during 2021. Attachment 3A is a summary of benefits provided to those staff as per the New York State Public Authorities Reporting Information System (PARIS). Biographies for these individuals are posted on the ECIDA website at <http://www.ecidany.com/staff-directory>. Salaries and benefit information for other ECIDA staff are also reported under the PARIS system.

None of the directors of the ECIDA or its affiliates receive any compensation for their services as directors. None of the officers of the ECIDA or its affiliates receive any compensation for their services as officers beyond their compensation as employees. None of the ECIDA affiliates had any employees during 2021.

6. Projects Undertaken by the Corporation during 2021:

Attachment 4 details the tax-exempt bonds and tax abatements that were approved during 2021. Attachments 4A and 4B detail the loans that were funded in 2021 by the RDC and ILDC, respectively.

7. Listing of Certain Property of the Corporation:

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

8. Code of Ethics:

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

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

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

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

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

ECIDA

Industrial development agencies (“IDAs”) are formed under Article 18-A of New York State General Municipal Law, as public benefit corporations. IDAs were created to actively promote, encourage, attract and develop job and recreational opportunities and economically-sound commerce and industry in cities, towns, villages and counties throughout New York State (the “State”). IDAs are empowered to provide financial assistance to private entities through tax incentives in order to promote the economic welfare, prosperity and recreational opportunities for residents of a municipality (“Benefited Municipality”).

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

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

RDC & ILDC

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

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

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

11. Description of the Authority and its Board Structure:

i) Names of Committees and Committee Members:

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

ii) Lists of Board Meetings & Attendance:

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

iii) Description of major authority units, subsidiaries:

The ECIDA and its affiliates do not have any subsidiaries.

iv) Number of Employees:

The ECIDA had 18 full-time employees in 2021.

v) Organizational Chart:

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

12. Bylaws:

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

13. Listing of Material Changes in Operations and Programs:

ECIDA, through its development arm ILDC, continued redevelopment work at the former Bethlehem Steel site in Lackawanna, NY, now known as Renaissance Commerce Park. An additional \$7.6 million was awarded through Empire State Development in 2021 for infrastructure improvements required for redevelopment of the site. Water and sewer engineering work began during the year, with a \$700,000 grant from Erie County, as well as Shoreline Trail enhancements with support from the NYS Department of State. Uniland Development agreed to purchase a ten-acre parcel of land for a new construction commercial-warehouse building in 2021. Part 1 of Phase II of land acquisition was completed during the year as well, bringing the total acreage owned to approximately 161.

The ILDC began work on the Agri-Business Park's Master Plan/GEIS in 2021, the ILDC's other major property in Evans, NY. This work is being completed with grant support from National Grid (\$354,000) and Erie County (\$230,000).

The following programs/initiatives that began in 2020 in response to the COVID-19 pandemic continued during the year:

- ECIDA's grant program to assist businesses negatively impacted by the pandemic continued through the end of the program in June 2021. These grants reimbursed small businesses and not-for-profit entities for the cost of acquiring personal protective equipment and/or installing fixtures to help prevent the spread of COVID-19. The ECIDA Board allocated a total of \$1,000,000 of agency general funds this program in 2020-2021, and awarded \$700,900.
- ECIDA was awarded up to \$5 million by the Economic Development Administration under the federal CARES Act, which was sub-granted to RDC to establish a new revolving loan fund (RLF). The purpose of this loan fund is to alleviate sudden and severe economic dislocation caused by the COVID-19

pandemic, support economic resiliency, and further the long-term economic adjustment objectives of Erie County. The entire \$5 million was lent by the end of 2021.

In 2021 based on the overall performance and successful operation of the EDA (Legacy) revolving loan fund (RLF) since its inception in 1979, the EDA released its Federal interest in the RLF. This courtesy was only offered to RLF operators that have operated satisfactorily for at least seven years beyond the disbursement of grant funds.

ECIDA's Board approved updates to the Procurement Policy, Sexual Harassment Policy, and Employee Compensation Program in 2021.

14. Four-Year Financial Plan:

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

15. Board Performance Evaluations:

The ECIDA, RDC and ILDC Boards of Directors conducted a Board Performance Evaluation in 2021 and forwarded the results to the Authority Budget Office. The surveys are not subject to disclosure under article six of the Public Officers Law.

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

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

17. Description of material pending litigation:

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

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

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

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

John Cappellino
President & CEO

Mollie Profic
Vice President/CFO

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

2021 Mission Statement and Performance Measurements

Approval Date: March 24, 2021

Purpose:

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

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

Mission Statement:

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

Performance Goals, Measures & Results:

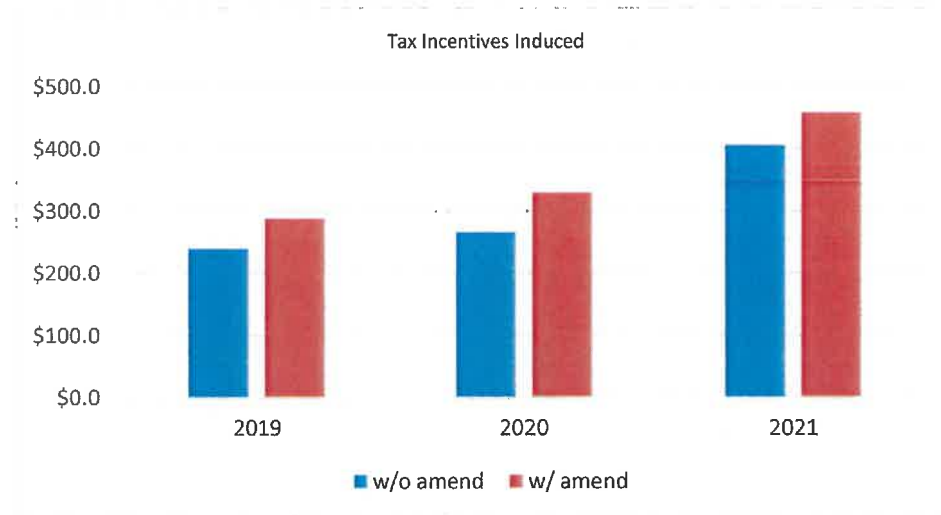
Goal 1: To promote private investment & innovation:

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

Measurement: Value of new private investments from tax incentives

Metric*: \$200 - \$225 M in private investment from approved tax incentives

Results: A total of 22 projects with a total private investment amount = \$457.5 M were approved far exceeding our goal. This included 3 amendatory and 5 adaptive reuse projects. Strength in several industry sectors including manufacturing (11 projects) and warehouse distribution/spec buildings (3 projects) that when combined represent 90% of the total investments made. Of note, the ECIDA approved its first solar PILOT in 2021 contributing to NY State's green energy goals.



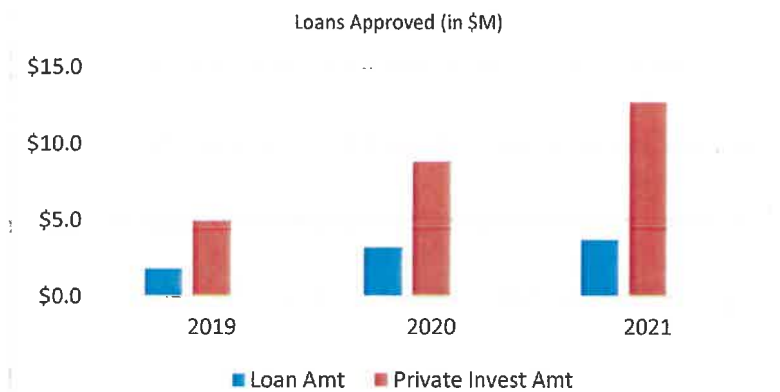
Objective 1B: RDC: Provide “gap financing” to spur the creation of new businesses and private-sector investment in working capital, machinery and equipment.

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

Metric*: \$3 M in new business loans with the private investment amount of \$3 M for a total of 7 loans approved

Results: In 2021, the RDC approved 7 loans from the Legacy Fund for \$3,730,000 with \$12.7 M in private investment.

Note: a new \$5 million Revolving Loan Fund was created through the EDA CARES ACT to assist businesses with the economic injury caused by Covid. The \$5 million per this fund was lent out to Erie County Businesses in 2021 and are not included in the graph below. (see Objective 4A for further details).

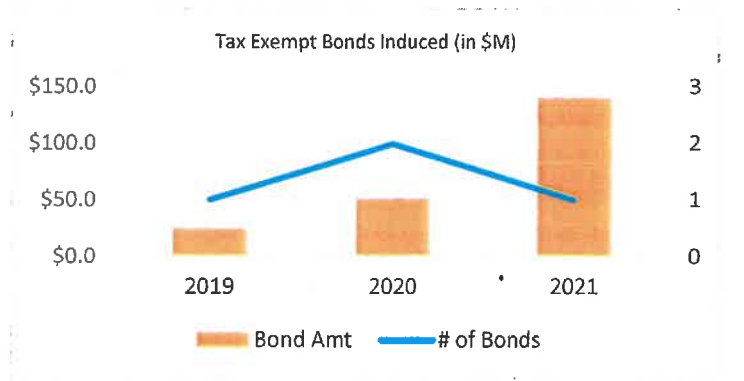


Objective 1C: ECIDA & ILDC: Assist non-profit and other eligible borrowers to obtain low-interest, tax-exempt bond financing.

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

Metric*: 1 - 2 tax exempt bonds totaling \$25 - \$30 M

Results: The ECIDA approved 1 bond for \$140 M (Joint School Construction Board Refunding of 2011A and 2011B bonds).

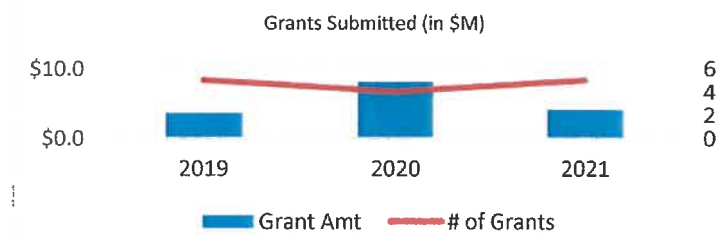


Objective 1D: ECIDA & ILDC: Pursue state, federal and private funding opportunities to support priority projects and leverage private investment.

Measurement: Number and \$ amount of grant applications submitted

Metric*: 2- 3 grants submitted for \$800,000 - \$ 1 M

Results: Five grants have been submitted for a total of \$4,174,093. Three (3) grants for a total of \$3,370,024 have been approved, while the remaining two (\$804,069) are currently pending a decision.



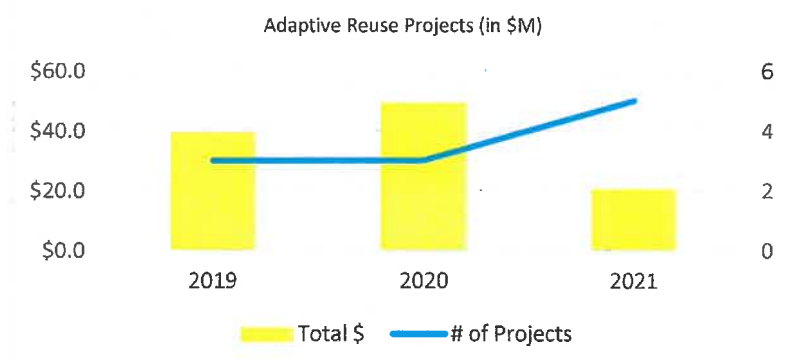
Goal 2: To support business formation, job growth, and economic expansion targeting economically challenged and disadvantaged communities:

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

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

Metric*: Five to six projects approved totaling \$40M - \$50M in private investment

Result: Five adaptive projects have been approved with total private investment = \$ 20.4 M. While the number of projects we assisted was as expected, the project size was smaller than anticipated per past performance. Of note, these 5 projects range between \$2.8 M - \$8.3 M in private investment and represent important in-fill projects: (1) in the City of Tonawanda and (4) in the City of Buffalo. The projects will create a total of 81 apartment units of which 29 units (36%) will be available at 80% of Area Median Income (AMI). All 5 projects are located in distressed census tracts based upon 2020 census data.

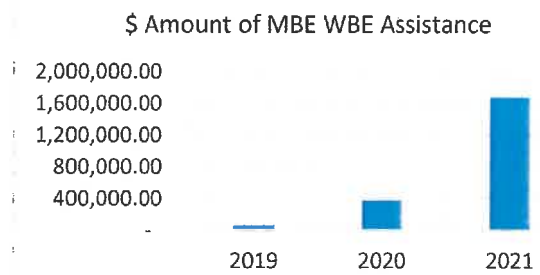


Objective 2B: ECIDA & RDC: Support the creation and growth of small business and minority & women-owned businesses (MWBE).

Measurement: Number and \$ amount of MWBE business loans, tax incentives and PPE Reimbursement grants

Metric: \$250,000 in assistance to 30 – 40 MWBEs

Results: In 2021, a total of **40** minority, woman and/or veteran owned businesses received assistance totaling over **\$1.69 M**. Minority/women/veteran owned businesses received: 11 loans for \$1.46 M (Cares Act revolving loan fund), 28 PPE Reimbursement grants totaling \$178,127 and 1 tax incentive that provided \$54,300 in tax savings.



Objective 2C: ECIDA, ILDC & RDC: Formalize MBE/WBE procurement goal for Agency – Operational Purchases.

Measurement: Procurement goal \$ amount and % spent with MWBE vendors

Metric: Vendor Operational Purchases of \$18,000 / 30% MWBE: office supplies, catering, equipment leasing etc.

Results: A total of \$87,500 operational purchases were identified (major categories were office supplies, IT services/hardware/software, and marketing/printing). Of that total, \$16,636 (19%) were from M/WBEs. \$9,632 (11%) were from WBEs and \$7,005 (8%) were from MBEs. While ECIDA did not meet our 2021 goal, we did increase our M/WBE spend by 50% (\$5,600). We also identified and began doing business with an MBE office supply company.

Objective 2D:	ECIDA, ILDC & RDC: Formalize MBE/WBE procurement goal for Agency– Other purchases.
Measurement:	Procurement goal \$ amount and % spent with MWBE vendors
Metric:	Meet 100% of the following measures - <u>Professional services</u> including 30% MWBE for engineering/design, <u>Construction service</u> that includes 30% MWBE for contract utilization and <u>RFPs and/or bids scoring</u> – that includes MWBE utilization and/or D&I initiatives valued at 10% of the scoring index
Results:	<p>Professional Services: 100% compliance: Six RFP/bids issued in 2021 with value = \$1.2 M included 30% MWBE. 5 of 6 RFPs have been awarded to vendors with commitment to 30% MWBE (= \$392,285).</p> <p>Construction Services (none).</p> <p>RFPs and/or Bids Scoring: 100% of RFPs included scoring value = 10% for MBE/WBE commitment.</p>

Objective 2E:	ECIDA, ILDC & RDC: Create a formal diversity, inclusion & equity policy for the organization focusing on staff development and employment goals.
Measurement:	Implement training re: Racial Equity
Metric:	Conduct Racial Equity training for existing staff and new hires (add to onboarding process). Offer Racial Equity training to Board & Board Committee Members
Results:	Efforts to support diversity, inclusion and equity in the workplace included the following: 1) In June, 2021, ECIDA staff virtually attended the 2021 Diversity & Inclusion Symposium presented by BNP and the Community Foundation. All staff including anyone who was unable to attend this ½ day event and staff hired “post-event” were provided with access to the various presentations and tools from the symposium to review independently. The ECIDA plans to utilize new software to store on-boarding materials including Racial Equity training from this event or similar training as available. 2) The scope of work for the updated Comprehensive Economic Development Strategy (CEDs) includes

recommendations for promoting Equity in economic development planning and implementation to ensure that underserved populations have the opportunity to participate in Erie County's economic prosperity. 3) ECIDA staff member participated in the Canisius Women's Business Center's Building Allyship Program – a program that brings together women of color entrepreneurs and mentor volunteer. Upon program completion, staff member was matched with and is mentoring a start up minority business owner.

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

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

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

Results: In 2021 the average salary for the 3,373 jobs retained and created through the ECIDA tax incentive projects was \$59,340. The total annual payroll amount = \$217.7 Million. The following is a breakdown of average salaries by category.

Category	# of Jobs	Salary	
		Without Fringe Benefits	With Fringe Benefits
Management	157	\$121,156	\$154,034
Professional	688	\$79,656	\$104,835
Administrative	181	\$46,685	\$60,744
Production	2,211	\$51,770	\$68,879
Independent Contractor	1	\$15,000	\$15,000
Other	75	\$72,152	\$87,363
	3,313		

* note: The total # of jobs shown in the table is 60 fewer than noted in the overall results as one company submitted their job information confidentially (60 new jobs).

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

Measurement: Number of sales contacts

Metric*: 425-450 sales contacts made

Results: In 2021 1,432 business development sales contacts were made. Business development outreach includes: 279 business development / events / professional partner meetings, 836 attendees to ECIDA presentations, 157 responses to PPE grant inquiries and 160 responses to COVID Loan Inquiries This year, we are including additional contacts made through MarCom activities. In 2021, 22,913 individuals were reached through the following MarCom outreach activities: sponsorships, panel participation, email blasts, holiday calendar mailing and podcasts.

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

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

Metric: 400 acres of land under management

Results: Continued management and redevelopment of approximately 490 acres of land: 250 acres vacant and/or brownfield and 240 acres of redevelopment for the Agribusiness Park. During 2021, the Renaissance Commerce Park saw private investments total over \$56 Mil and the number of jobs retained / to be created on the site rise to 291 FTE. Other 2021 Highlights include:

- Engaged Consultant and began Masterplan Agri-business Park
- Completed Shoreline Trail Extension Study
- Branded site Renaissance Commerce Park
- Completed Purchase Sale Agreement for 80 additional Acres at RCP
- Sold 10 acres to Uniland Development for spec. building
- Began design work for Utility extensions at Ridge Road and Odell St
- Began road "B" design work
- TMP Technologies began operations on site

Goal 3: To encourage international trade:

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

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

Metric*: A total of 6 FTZ sites with goods valued at \$45 M - \$55 M moving through the zone

Results: \$70.6 M in goods moved through the FTZ in 2020* up from \$3.8 M in the prior year. The FTZ sites increased to 7 with 18 businesses using the zone. The increase in FTZ activity was primarily due to a large sugar importer/manufacturer establishing a new distribution warehouse in EC FTZ #23. This help offset the continued uncertainty of foreign tariffs on goods due to U.S. Global Trade Policies being renegotiated by the Biden Administration with various foreign countries. Additionally logistic issues stymied the import and export of goods through FTZ #23 as COVID 19 related issues plagued the world’s economy.

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

Goal 4: Response to Global Pandemic:

Objective 4A: Utilize “new” Revolving Loan Funds made available through the CARES Act to provide low-cost financing to Erie County businesses to alleviate sudden and severe economic dislocation or to support opportunities associated with COVID-19 pandemic.

Measurement: Number of loans, \$ amount of loans

Metric: 20 loans approved, \$2.5 million in new loans

Results: A total of over \$4.9 mil in new loans (30) were approved through CARES Act funding.

Objective 4B:	ECIDA: PANDEMIC RESPONSE - Assistance to Small Business & not-for-profit businesses in response to the COVID pandemic.
Measurement:	Allocation of funding to support ECIDA COVID 19 Emergency Grant Program and awarding business grants with a focus on businesses in distressed areas and MWBE & veteran owned businesses
Metric:	Additional \$500,000 allocated with 60 – 70 grants awarded
Results:	The ECIDA Board allocated an additional \$500,000 to the ECIDA grant program in Jan 2021. During 2021, the ECIDA COVID 19 Disaster Emergency Grant Program awarded 53 grants totaling \$328,720 to Erie County based not for profits, small businesses in distressed areas as well as to MWBE & veteran owned small businesses. The number of grants awarded fell slightly below the goal with the sudden end of the program on 6/24/21 upon the Governor lifting the NY State of Emergency.

Objective 4C:	ECIDA RDC, ILDC: PANDEMIC RESPONSE – Support Small Businesses in Erie County Consortium Communities whose owners have low to moderate household incomes.
Measurement:	Provide administrative support for the Erie County Microenterprise Loan program funded by Community Development Block Grant funds.
Metric:	20 microloans approved totaling \$500,000.00
Results:	In 2021, a total of 22 Erie County Microenterprise Loans closed totaling \$760,000.

Goal 5: To safeguard the public's investment by ensuring compliance and transparency with ECIDA Policies & Procedures, NYS Tax, EDA and ABO requirements:

Objective 5A: ECIDA: Client compliance with material terms including local labor, employment retention & creation, investment, pay equity and unpaid real property tax policies.

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

Metric: 100% compliance

Results: 100% of client material terms reporting and filing were met including for the 3/31/21 ABO annual report. As a result of the pandemic, there were X companies that did not meet their employment requirement due to the pandemic. The Board passed a resolution providing relief from recapture procedures for those companies that demonstrated employment impacts from the pandemic and economic shutdown.

Objective 5B: ECIDA: Client compliance with the New York State Sales and Use Tax program.

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

Metric: 100% client compliance

Results: 100% compliance for 3/31/21 reporting of clients not exceeding approved sales tax limits - sales tax amounts exceeding approved limits were collected and submitted to NYS.

Objective 5C: RDC: Ensure proper controls and safeguards over the administration of the revolving loan fund (RLF).

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

Metric: "A" rating from the EDA

Results: In 2021 based on the overall performance and successful operation of the RLF (since inception in 1979), the EDA, released its Federal interest in the RLF. This courtesy was only offered to RLF awardees that have operated satisfactorily for seven years beyond the disbursement of grant funds. No "letter" rating was provided.

Objective 5D: ECIDA, RDC & ILDC: Compliance with ABO's deadlines, and regulatory requirements.

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

Metric: 100% compliance

Results: All annual PARIS (ABO) reporting was filed on time and in an accurate fashion meeting the ABO's 3/31/21 deadline. .

Objective 5E: ECIDA, RDC & ILDC: Board Member compliance with ABO regulatory requirements.

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

Metric: 100% compliance

Results: All Board of Directors (ABO) reporting was filed on time and in an accurate fashion meeting the ABO's 3/31/21 deadline. .

The Agency is on track to meet filing requirements of the ABO's 3/31/22 reporting deadline.

*Metrics were calculated based upon a 3-year rolling average (for period 2019 – 2021) with adjustments made to reflect expected future economic trends, pipeline strength and other factors that are anticipated to impact future results.

Governance Certification

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

Board of Directors response: Yes

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

Board of Directors response: The Board of Directors

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

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

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

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

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

Board of Directors response: Yes

ECIDA Bonds

Id	Trustee	ProjectName	Bond Amount	Year Start Balance 2021	Year End Balance 2021	Principal Paid 2021	Interest Rate	Bond/Loan Number	Bond Maturity
2591	M&T Bank	Canisius High School	\$22,250,000	\$ 10,820,000	\$ 10,450,000	\$ 370,000	var	1012768	2/1/38
2491	M&T Bank	Hydro-Air Components, Inc.	\$9,800,000	\$ 3,065,000	\$ -	\$ 3,065,000	Var.	1034103	4/1/26
10216	U.S. Bank National Association	Medaille College 2013 Refund of ECIDA 2003 Bond	\$18,240,000	\$ 14,360,000	\$ 13,700,000	\$ 660,000	fixed	11943KBA9, 11943KBB7, 11943KBE1, 11943KBC5, 11943KBD3	2/16/35
10404	Zions Bancorporation	Marina Vista	\$13,300,000	\$ 13,139,929	\$ 12,957,964	\$ 181,965	fixed	CPC7068801, 7916	12/20/37
1062	M&T Bank	Niagara Maryland Development, LLC	\$2,500,000	\$ 610,000	\$ 420,000	\$ 190,000	var	295088FM5	6/1/23
10504	U.S. Bank National Association	Related Affordable/Elmwood Square Apartments	\$8,590,000	\$8,590,000	\$ 8,590,000	\$ -	1.846%, Fixed		2038
10140	M&T Bank	Joint Schools Construction Board 2012A Refinancing	\$209,540,000	\$113,860,000	\$ 95,185,000	\$ 18,675,000	var.	G018	5/1/26
10194	M&T Bank	Joint Schools Construction Board 2013 Refund of 2009A Bonds	\$62,540,000	\$ 60,795,000	\$ 60,520,000	\$ 275,000	var	254	5/1/28
10134	M&T Bank	Joint Schools Construction Project - 2011 Bonds	\$277,875,000	\$ 156,040,000	\$ -	\$ 156,040,000	var.	G005, G006	5/1/32
10291	M&T Bank	Board (Refund of 2007A & 2008A bonds) - Series 2015A	\$236,975,000	\$ 179,055,000	\$ 160,470,000	\$ 18,585,000	var.	H378	2029
10342	M&T Bank	Board-Series 2016A (Refund of 2009A Bonds)	\$133,580,000	\$ 123,985,000	\$ 115,370,000	\$ 8,615,000	2.17		2031
2360	New York Housing Finance Agency	2009 Shoreline Apartments LLC	\$9,000,000	\$ 1,186,988	\$ 1,143,250	\$ 43,738	0.055	5003	11/30/41
1035	Huntington National Bank	Child & Family Services of Erie County	\$4,200,000	\$ 595,000	\$ 205,000	\$ 390,000	var.	ERIENYCHL002 ; 5082022935	6/1/22
1036	Huntington National Bank	People, Inc.	\$13,685,000	\$ 180,000	\$ 60,000	\$ 120,000	.0722; var	ERIENYPEOPLE; 5082023104	6/1/22
2516	Bank of New York Mellon	Our Lady of Victory Renaissance Corporation	\$11,860,000	\$ 7,785,000	\$ 7,305,000	\$ 480,000	0.053		4/1/32
10621	M&T Bank	Joint Schools Construction Board/City School District of the City of Buffalo	\$109,135,000	\$109,135,000	\$ 109,135,000	\$ -	Fixed		2032
				\$ 803,201,917	\$ 595,511,214	\$ 207,690,703			

Id	Bank	ProjectName	Bond Amount	Year Start Balance 2021	Year End Balance 2021	Principal Paid 2021	Interest Rate	Loan Number	Bond Maturity
10111	M&T Bank	Cantalcian Center for Learning- Series A	\$9,525,000	\$5,832,500	\$5,378,333	\$454,167	var.	1034105	2033
10398	M&T Bank	Medaille College 2018 Series Refunding of 2010 Bonds	\$9,350,000	\$ 9,255,000	\$ 9,150,000	\$105,000			2038
10316	Key Bank	Buffalo Academy of Science Charter School	\$3,250,000	\$1,129,786	\$ -	\$1,129,786	3.08	9014559613-000000001	4/30/23
2758	UMB Bank	Enterprise Charter School	\$7,345,000	\$6,355,000	\$ 6,215,000	\$140,000	7.5	1032851	2040
10371	M&T Bank	Tapestry Charter School	\$33,900,000	\$33,075,000	\$ 32,625,000	\$450,000		Series A - 123350-000 Series B - 123351-000	2052
10399	Wilmington Trust	Global Concepts Charter School	\$6,185,000	\$ 5,755,000	\$ 5,525,000	\$230,000	4 & 5%	131876-000	10/1/37
10375	U.S. Bank	Charter School for Applied Technologies	\$22,995,000	\$20,335,000	\$ 19,355,000	\$980,000		220612000	2035
10296	M&T Bank	Canisius College of Buffalo, New York - Refund of 2004-2005 DASNY Bonds - Series 2015A	\$30,760,000	\$21,530,000	\$20,690,000	\$840,000	Libor rate: 1.3375	3233822	2038
10296	M&T Bank	New York - Refund of 2004-2005 DASNY Bonds - Series	\$16,195,000	\$16,195,000	\$16,195,000	\$0	rate: 1.4075	3233830	2040
10290	The Bank of New York Mellon	Orchard Park CCRC, Inc. a/k/a Fox Run	\$44,490,000	\$38,330,000	\$ 36,975,000	\$1,355,000	1-5%		2037
10018	Key Bank	134 High Street, LLC	\$24,050,000	\$19,773,180	\$ 19,312,637	\$460,543	1.9	2000 19408	2022
10338	M&T Bank	854 Ellicott Street, LLC	\$44,328,500	\$42,200,618	\$ 41,332,249	\$868,369	2.95	99-6641368-3	2051
10278	The Bank of New York Mellon	Catholic Health System	\$93,800,000	\$81,320,000	\$ 77,245,000	\$4,075,000	5		2045
10470	U.S. Bank	D'Youville College	\$48,205,000	\$48,205,000	\$ 47,405,000	\$800,000	Variable		2050
				\$349,291,084	\$ 337,403,219	\$11,887,865			

Erie County Industrial Development Agency
Compensation Schedule
Year Ended: December 31, 2021

ATTACHMENT 3

The following employees had a base salary greater than \$100,000 in 2021:

Name	Title	Salary	Performance Compensation	Payroll Taxes*	Benefits	Total
John Cappellino	President & CEO	\$ 179,220	-	10,974	44,092	\$ 234,286
Karen Fiata	Vice President & Manager, Tax Incentive Products	\$ 100,576	-	7,830	24,715	\$ 133,121
Elizabeth O'Keefe	Vice President - Operations	\$ 104,097	-	8,099	21,014	\$ 133,210
Mollie Profic	Vice President & CFO	\$ 106,426	-	8,278	35,349	\$ 150,053

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

ATTACHMENT 3A

Annual Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2021

Run Date: 03/04/2022
Status: UNSUBMITTED
Certified Date: N/A

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

Staff

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

Erie County Industrial Development Agency

Projects Undertaken by the Corporation

Year Ended: December 31, 2021

Company	Projected Jobs Year - 2	Net Jobs Projected to be Created	Lease Project Amount	Tax Exempt Bond Amount	Date Approved
1 Sumitomo Rubber USA, LLC	1399	0	\$ 126,000,000		10/27/2021
2 Thermo Fisher North Expansion	867	60	85,000,000		1/27/2021
3 283 Ship Canal Parkway	76	76	52,284,244		6/23/2021
4 Time Release Properties*	123	20	22,700,000		2/24/2021
5 Coca-Cola Beverages Northeast, Inc.	124	10	22,611,507		9/22/2021
6 Sucro Real Estate, LLC.	50	45	19,000,000		1/27/2021
7 Great Point Studios Buffalo*	17	17	15,984,800		11/17/2021
8 BLD VII, LLC	41	41	14,570,786		4/28/2021
9 Polymer Conversions	140	15	14,250,000		7/28/2021
10 Calspan Corporation	163	20	13,500,000		1/27/2021
11 Surmet Ceramics Corp.	31	18	11,500,000		3/24/2021
12 Pine Pharmaceuticals	119	40	8,615,000		1/27/2021
13 MCG Real Estate Holdings, LLC	0	1	8,258,268		5/26/2021
14 132 Dingens Street, LLC	23	23	7,450,000		7/28/2021
15 Bullis Road Solar	0	0	6,389,343		9/22/2021
16 Walcot Apartments	1	1	3,345,000		9/22/2021
17 Terzo Development	1	1	3,050,000		3/24/2021
18 Skycatcher Holdings, LLC	47	6	2,879,000		9/22/2021
19 George Lewis House Apartments	1	1	2,875,000		9/22/2021
20 72 East Niagara Street, LLC	20	3	2,836,736		1/27/2021
21 Eastman Machine Company	129	3	1,665,000		2/24/2021
22 JSCB Series 2011A and 2011B Refunding Bonds	0	0		140,000,000	4/28/2021
Total:	3372	401	\$ 444,764,684	\$ 140,000,000	

*Indicates an amendatory project.

Buffalo & Erie County Regional Development Corporation

Projects Undertaken by the Corporation (Loans)

Year Ended: December 31, 2021

<u>Company</u>	<u>Loan Amount</u>	<u>Date Closed</u>
1 KSL Diagnostics, Inc.	\$ 1,000,000	7/30/2021
2 Buffalo Film Works, Inc.	250,000	3/26/2021
3 Allied Circuits, LLC	250,000	4/29/2021
4 Radio One Buffalo, LLC	250,000	4/29/2021
5 Amherst Pizza & Ale House, Inc.	250,000	5/4/2021
6 AFT Lenox, LLC	250,000	5/6/2021
7 Tundra Transport, LLC	250,000	5/13/2021
8 MainSpring, LLC d/b/a Lakeward Spirits	250,000	5/20/2021
9 Trace Assets Protection Services, LLC	250,000	5/26/2021
10 Tomric Systems, Inc.	250,000	6/21/2021
11 Premium Coffee of WNY, LLC	250,000	6/23/2021
12 Surianello General Concrete Contractors	250,000	7/27/2021
13 166 Chandler Holdings, LLC	250,000	7/30/2021
14 Buffalo Fermentation, Inc.	250,000	10/8/2021
15 WNY Medical Management, LLC	250,000	7/15/2021
16 166 Chandler Holdings, LLC	250,000	7/30/2021
17 Law Office of Jennifer Hurley, LLP	200,000	4/5/2021
18 Capello Salon III, Inc.	175,000	6/2/2021
19 S & K Kitchens, Inc. dba Kitchen Tune-Up	150,000	7/20/2021
20 KJJ Group, LLC	150,000	8/26/2021
21 MainSpring, LLC d/b/a Lakeward Spirits	150,000	5/20/2021
22 Frank T. Minisci, CPA	125,000	3/30/2021
23 Buffalo Niagara Weldworks, Inc.	125,000	6/30/2021
24 Bhavani Group, Inc.	100,000	3/30/2021
25 Peterson Heating and Cooling, Inc.	100,000	5/13/2021
26 Rosewood Signs, Inc.	100,000	7/9/2021
27 Kathy's Kid Kare, Inc.	100,000	7/12/2021
28 Mataji's Inc.	100,000	7/12/2021
29 Tundra Transport, LLC	80,000	5/13/2021
30 Eleven Lights, Inc. dba Ballyhoo	75,000	9/2/2021
31 Alexander Dunn dba Underground Gym	60,000	6/11/2021
32 Styles of Man, Inc.	50,000	6/25/2021
33 Divorce Mediation Svcs. of Bflo, LLC	40,000	6/15/2021
Total	<u>\$ 6,630,000</u>	

Buffalo & Erie County Industrial Land Development Corporation

Projects Undertaken by the Corporation (Loans)

Year Ended: December 31, 2021

<u>Company</u>	<u>Loan Amount</u>	<u>Date Closed</u>
1 Kwilos Farms	\$ 35,000	1/8/2021
2 Cross Roads Bar and Grill	35,000	1/12/2021
3 Fetch! Gourmet Dog Treats LLC	35,000	1/19/2021
4 Corporate Wellness Global Inc.	35,000	1/26/2021
5 Creekside Market	35,000	2/21/2021
6 Saxon Services	35,000	4/22/2021
7 Lighting Done Right (Mike Montaldi)	35,000	5/19/2021
8 Fit OP, LLC (1)	35,000	6/29/2021
9 Fit EA, LLC (2)	35,000	6/29/2021
10 The GreenerWe	35,000	8/19/2021
11 Lilly Belle Meads LLC	35,000	8/27/2021
12 Arts Cafe Management LLC	35,000	9/24/2021
13 Boca Wood Products LLC	35,000	10/14/2021
14 Bella Publishing	35,000	10/26/2021
15 Off the Wall Sandwhich Co.	35,000	10/26/2021
16 BGM 4 LLC	35,000	11/15/2021
17 L&B Transportation LLC	35,000	11/16/2021
18 Danasons Border Services Inc.	35,000	11/19/2021
19 Esthetic Solutions	35,000	12/9/2021
20 Destination X Travel	35,000	12/13/2021
21 Amy Lynn's Dance Studio	30,000	8/2/2021
22 Real Straw LLC	30,000	10/5/2021
Total	\$ 760,000	

Erie County Industrial Development Agency
 Property Report
 Year Ended: December 31, 2021

Table 1. The following is a listing of all real property owned by the ECIDA and its affiliates at December 31, 2021.

Owner	Address and Location of Property	Full Description of Property	Estimated FMV of Property*
ECIDA	Gateway Trade Center - N.W. Hamburg Turnpike, Lackawanna, NY 14218	Commercial warehouse	\$ 1,140,000
ECIDA	143 Genesee Street, Buffalo, NY 14203	12,803 square foot office facility	1,800,000
ILDG	3445 River Road, Tonawanda, NY 14150	Vacant land	20,000
ILDG	1526 Eden Evans Center Road, Evans, NY 14006	154.84 acres of land w/4 commercial buildings	543,506
ILDG	Eden Evans Center Road, Evans, NY 14006	79.7 acres of vacant land	160,000
ILDG	2303 Hamburg Turnpike, Lackawanna, NY 14218	161.18 acres of vacant land w/19,368 s.f. building	\$ 1,772,696

Table 2. The following is a listing of personal property (with a fair market value ("FMV") in excess of \$5,000) and all real property that was disposed of during 2021.

Owner	Address and Location of Property	Full Description of Property	Estimated FMV* of Property	Name & Address of Purchaser	Date of Sale	Price Received
ILDG	Part of 2303 Hamburg Turnpike, Lackawanna, NY 14218	8.36 acres of vacant land	\$ 183,920	BLD VII, LLC 100 Corporate Parkway, Suite 500 Arherst, NY 14226	10/6/2021	\$209,000
ILDG	Part of 1526 Eden Evans Center Road, Evans, NY 14006	1.85 acres of vacant land	\$ 6,494	Town of Evans 8787 Erie Road Angola, NY 14006	7/20/2021	\$1

Table 3. The following is a listing of all real property that was acquired during 2021.

Owner	Address and Location of Property	Full Description of Property	Estimated FMV* of Property	Name & Address of Seller	Date of Purchase	Price Paid by ILDC
ILDG	Part of 2303 Hamburg Turnpike, Lackawanna, NY 14218	31.58 acres of vacant land (Parcels II-5, II-6 and II-7)	\$ 694,760	Icumseh Re-development, Inc. 2303 Hamburg Turnpike Lackawanna, NY 14218	8/25/2021	\$473,700

Please note that the above listing excludes the hundreds of properties in which the ECIDA has technical title in order to convey certain tax or other benefits. The properties presented are those where the ECIDA has "real" beneficial ownership.
 * Based on assessed value (adjusted for tax equalization rate if applicable) or appraisal, if available.

**ECIDA/RDC/ILDC Board Committees
(As of 12/31/21)**

Attachment #6

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

Name	Executive	Governance	Compensation	Finance & Audit	Nominating	Policy	Loan	Loan Write-Off
Denise Abbott						ER	ER	
April Baskin*						ER		
Penny Beckwith*				ERI				ERI
Diane Benczkowski								ERI
Mark Blue			E		ERI	ER		
Bryon Brown	ER					ER		
Johanna Coleman*						ER		
Allison DeHonney*				ERI				
Colleen Dipirro*						ER		
Joseph Emminger	ER						ER	
Dottie Gallagher			E		ERI			
Rebecca Gandour*							ER	
Howard Johnson		ERI			ERI			
Tyra Johnson-Hux		ERI						ERI
Richard Krebs*						ER		
Brian Kulpa				ERI				
Nancy LaTulip*							ER	
Richard Lipsitz	ER		E		ERI	ER		
Brenda McDuffie	ER	ERI				ER	ER	
David McKinley*							ER	
Glenn Nellis	ER			ERI		ER		
Mark Poloncarz	ER	ERI	E		ERI			
Darius Pridgen	ER							ERI
Denise Roche			E		ERI			
Kenneth Schoetz		ERI	E		ERI			ERI
Laura Smith*						ER		
David State*		ERI				ER		

ECIDA/RDC/ILDC Board Committees
(As of 12/31/21)

Attachment #6

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

	Executive	Governance	Compensation	Finance & Audit	Nominating	Policy	Loan	Loan Write-Off
Lavon Stephens*						ER		
Michael Szukala*				ERI				
Michael Taylor*							ER	
Paul Vukelic			E	ERI		ER		
Maria Whyte*		ERI				ER		
Renee Wilson					ERI			
William Witzleben*				ERI				ERI
Royce Woods*							ER	

* Non-Board members

2021 ECIDA AND AFFILIATES BOARD MEMBER MEETING LIST
X = ATTENDED

Board	Member	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Notes
ECIDA	ECIDA	1/27/21	2/24/21	3/24/21	4/28/21	5/26/21	6/23/21	7/28/21	no meeting	9/22/21	10/21/21	11/17/21	no meeting	
	Denise Abbott		X	X	X	X	X	X		X	X	X		
	Hon. Diane Benczkowski	X	X	X	X	X	X			X	X	X		
	Rev. Mark Blue	X	X	X	X	X	X	X		X	X	X		
	Hon. Byron Brown													
	James Doherty													
	Hon. Joseph Emminger		X	X	X			X		X	X	X		
	Dottie Gallagher			X		X				X				
	Howard Johnson	X			X	X		X		X	X	X		
	Tyra Johnson	X	X	X		X	X			X	X	X		
	Hon. Brian Kulpa	X	X					X		X	X	X		
	Richard Lipsitz	X	X	X		X	X	X		X	X	X		
	Brenda McDuffie	X	X	X	X	X	X	X		X	X	X		
	Hon. Glenn Nellis	X	X	X	X		X	X		X	X	X		
	Hon. Mark Poloncarz	X	X		X	X	X	X			X			
	Rev. Darius Pridgen	X		X	X			X		X		X		
	Sr. Denise Roche	X	X	X	X	X	X	X		X	X	X		
	Kenneth Schoetz	X	X	X	X	X	X	X		X	X	X		
	Paul Vukelic	X	X					X		X	X	X		
	Renee Wilson									X		X		
Board	Member	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	
RDC	RDC	no meeting	2/24/21	3/24/21	no meeting	5/26/21	no meeting	7/28/21	no meeting	9/22/21	10/27/21	no meeting	no meeting	
	Denise Abbott		X	X		X		X		X	X			
	Diane Benczkowski		X	X		X				X	X			
	Rev. Mark Blue		X	X		X		X		X	X			
	Hon. Byron Brown													
	James Doherty													
	Hon. Joseph Emminger		X	X				X		X	X			
	Dottie Gallagher					X				X				

2021 ECIDA AND AFFILIATES BOARD MEMBER MEETING LIST
X = ATTENDED

Attachment #7

Board Member	Jan 1/27/21	Feb 2/24/21	Mar 3/24/21	Apr 4/28/21	May 5/26/21	Jun 6/23/21	Jul 7/28/21	Aug no mtg	Sep 9/22/21	Oct 10/21/21	Nov 11/17/21	Dec 12/22/21
Howard Johnson					X		X			X		
Tyra Johnson		X	X		X				X	X		
Hon. Brian Kulpa		X					X		X	X		
Richard Lipsitz		X	X		X		X		X	X		
Brenda McDuffie		X	X		X		X		X	X		
Hon. Glenn Nellis		X	X				X		X	X		
Hon. Mark Poloncarz		X			X		X			X		
Rev. Darius Pridgen			X				X					
Sr. Denise Roche		X	X		X		X			X		
Kenneth Schoetz		X	X		X		X			X		
Paul Vukelic							X		X	X		
Renee Wilson									X			
Board Member	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
ILD C	1/27/21	2/24/21	3/24/21	4/28/21	5/26/21	6/23/21	7/28/21	no mtg	9/22/21	10/21/21	11/17/21	12/22/21
Denise Abbott		X	X	X	X	X	X		X	X	X	X
Hon. April Baskin			X		X	X	X		X	X		
Hon. Byron Brown												X
Hon. Howard Johnson				X	X		X			X	X	
Richard Lipsitz		X	X		X	X	X		X	X	X	X
Hon. Mark Poloncarz		X		X	X	X	X			X		X
Maria Whyte		X	X	X			X		X	X		X

ATTACHMENT 8



Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2021

Run Date: 02/28/2022
 Status: UNSUBMITTED
 Certified Date : N/A

Procurement Information:

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

Procurement Report for Erie County Industrial Development Agency
Fiscal Year Ending: 12/31/2021

Run Date: 02/28/2022
Status: UNSUBMITTED
Certified Date : N/A

Procurement Transactions Listing:

1.	Vendor Name	Automated Business Forms	Address Line1	PO Box 603
	Type of Procurement	Commodities/Supplies	Address Line2	
	Award Process	Non Contract Procurement/Purchase Order	City	EAST AMHERST
	Award Date		State	NY
	End Date		Postal Code	14051
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For	\$5,291.67	Country	United States
	Fiscal Year			
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Employee business cards, branded letterhead/envelopes

2.	Vendor Name	Blue Cross/Blue Shield of WNY	Address Line1	257 W Genesee Street
	Type of Procurement	Other	Address Line2	Suite 100
	Award Process	Authority Contract - Non-Competitive Bid	City	BUFFALO
	Award Date	1/1/2021	State	NY
	End Date	12/31/2021	Postal Code	14202
	Fair Market Value		Plus 4	
	Amount	\$193,290.60	Province/Region	
	Amount Expended For	\$193,290.60	Country	United States
	Fiscal Year			
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Health Insurance for employees.

Procurement Report for Erie County Industrial Development Agency
Fiscal Year Ending: 12/31/2021

Run Date: 02/28/2022
Status: UNSUBMITTED
Certified Date : N/A

3.	Vendor Name	Buffalo Business First	Address Line1	465 Main Street
	Type of Procurement	Other	Address Line2	
	Award Process	Non Contract Procurement/Purchase Order	City	BUFFALO
	Award Date		State	NY
	End Date		Postal Code	14203
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For Fiscal Year	\$24,045.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Targeted advertising campaigns in local weekly business publication.

4.	Vendor Name	Buffalo Southern Railroad	Address Line1	8600 Depot Street
	Type of Procurement	Commodities/Supplies	Address Line2	
	Award Process	Non Contract Procurement/Purchase Order	City	EDEN
	Award Date		State	NY
	End Date		Postal Code	14057
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For Fiscal Year	\$45,453.80	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Materials reimbursement for the railroad crossing replacement project.

Procurement Report for Erie County Industrial Development Agency
Fiscal Year Ending: 12/31/2021

Run Date: 02/28/2022
Status: UNSUBMITTED
Certified Date : N/A

5.	Vendor Name	C&S Engineers	Address Line1	141 Elm Street, Suite 100
	Type of Procurement	Consulting Services	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	BUFFALO
	Award Date	3/8/2021	State	NY
	End Date	6/30/2022	Postal Code	14203
	Fair Market Value		Plus 4	
	Amount	\$215,987.00	Province/Region	
	Amount Expended For Fiscal Year	\$119,058.05	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Planning, environmental, financial and design services for public sanitary sewer and water line extensions at former Bethlehem Steel site.

6.	Vendor Name	Challenger Community News	Address Line1	PO Box 474
	Type of Procurement	Other	Address Line2	
	Award Process	Non Contract Procurement/Purchase Order	City	BUFFALO
	Award Date		State	NY
	End Date		Postal Code	14209
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For Fiscal Year	\$6,099.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Public notices and bid advertisements in local publication

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2021

Run Date: 02/28/2022
 Status: UNSUBMITTED
 Certified Date : N/A

7.	Vendor Name	Chubb & Son, a Division of Federal Insurance Company	Address Line1	P.O. Box 382001
	Type of Procurement	Other	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	PITTSBURGH
	Award Date	12/29/2020	State	PA
	End Date	12/31/2021	Postal Code	15250
	Fair Market Value		Plus 4	
	Amount	\$17,578.00	Province/Region	
	Amount Expended For Fiscal Year	\$17,578.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Excess liability and excess crime insurance.

8.	Vendor Name	Construction Trades Staffing, Inc.	Address Line1	PO Box 1108
	Type of Procurement	Staffing Services	Address Line2	3959 N. Buffalo Road
	Award Process	Authority Contract - Non-Competitive Bid	City	ORCHARD PARK
	Award Date	5/18/2021	State	NY
	End Date		Postal Code	14127
	Fair Market Value		Plus 4	
	Amount	\$14,400.00	Province/Region	
	Amount Expended For Fiscal Year	\$14,400.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Direct hire placement fee.

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2021

Run Date: 02/28/2022
Status: UNSUBMITTED
Certified Date : N/A

9.	Vendor Name	Copier Fax Business Technologies, Inc.	Address Line1	465 Ellicott Street
	Type of Procurement	Commodities/Supplies	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	BUFFALO
	Award Date	12/14/2018	State	NY
	End Date	12/14/2023	Postal Code	14203
	Fair Market Value		Plus 4	
	Amount	\$9,424.57	Province/Region	
	Amount Expended For	\$9,424.57	Country	United States
	Fiscal Year		Procurement Description	DocuWare annual maintenance charges (\$6,308.36), and copier charges (\$3,116.21).
	Explain why the Fair Market Value is Less than the Amount			

10.	Vendor Name	Dawn Boudreau	Address Line1	363 Avon Road
	Type of Procurement	Consulting Services	Address Line2	
	Award Process	Authority Contract - Non-Competitive Bid	City	TONAWANDA
	Award Date	2/1/2021	State	NY
	End Date	12/31/2021	Postal Code	14150
	Fair Market Value		Plus 4	
	Amount	\$5,210.00	Province/Region	
	Amount Expended For	\$5,210.00	Country	United States
	Fiscal Year		Procurement Description	Consulting services related to compliance
	Explain why the Fair Market Value is Less than the Amount			

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2021

Run Date: 02/28/2022
Status: UNSUBMITTED
Certified Date : N/A

11.	Vendor Name	Delage Landen Financial Services, Inc.	Address Line1	PO Box 41602
	Type of Procurement	Technology - Hardware	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	PHILADELPHIA
	Award Date	12/14/2018	State	PA
	End Date	12/14/2023	Postal Code	19101
	Fair Market Value		Plus 4	
	Amount	\$5,626.44	Province/Region	
	Amount Expended For Fiscal Year	\$5,626.44	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Lease for office copiers.

12.	Vendor Name	Empire State Development	Address Line1	633 Third Avenue
	Type of Procurement	Other	Address Line2	
	Award Process	Authority Contract - Non-Competitive Bid	City	NEW YORK
	Award Date	3/7/2008	State	NY
	End Date	9/30/2023	Postal Code	10017
	Fair Market Value		Plus 4	
	Amount	\$190,585.71	Province/Region	
	Amount Expended For Fiscal Year	\$190,585.71	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Rent for offices at 95 Perry Street.

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2021

Run Date: 02/28/2022
 Status: UNSUBMITTED
 Certified Date : N/A

13.	Vendor Name	Fireman's Fund Insurance Companies	Address Line1	P. O. Box 3914
	Type of Procurement	Other	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	CAROL STREAM
	Award Date	12/31/2020	State	IL
	End Date	12/31/2021	Postal Code	60132
	Fair Market Value		Plus 4	
	Amount	\$15,239.00	Province/Region	
	Amount Expended For Fiscal Year	\$15,239.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Excess liability insurance policy.

14.	Vendor Name	Freed Maxick CPAs, P.C.	Address Line1	424 Main Street, Suite 800
	Type of Procurement	Financial Services	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	BUFFALO
	Award Date	9/27/2017	State	NY
	End Date	5/16/2022	Postal Code	14202
	Fair Market Value		Plus 4	
	Amount	\$27,300.00	Province/Region	
	Amount Expended For Fiscal Year	\$27,300.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Audit services.

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2021

Run Date: 02/28/2022
 Status: UNSUBMITTED
 Certified Date : N/A

15.	Vendor Name	Guardian	Address Line1	10 Hudson Yards
	Type of Procurement	Other	Address Line2	
	Award Process	Authority Contract - Non-Competitive Bid	City	NEW YORK
	Award Date	1/1/2021	State	NY
	End Date	12/31/2021	Postal Code	10001
	Fair Market Value		Plus 4	
	Amount	\$17,451.38	Province/Region	
	Amount Expended For Fiscal Year	\$17,451.58	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Dental insurance for ECIDA employees.

16.	Vendor Name	Harris Beach, PLLC	Address Line1	Larkin at Exchange
	Type of Procurement	Legal Services	Address Line2	726 Exchange Street, Suite 1000
	Award Process	Authority Contract - Competitive Bid	City	BUFALO
	Award Date	1/12/2009	State	NY
	End Date	5/1/2022	Postal Code	14210
	Fair Market Value		Plus 4	
	Amount	\$33,316.06	Province/Region	
	Amount Expended For Fiscal Year	\$33,316.06	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Legal services.

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2021

Run Date: 02/28/2022
 Status: UNSUBMITTED
 Certified Date: N/A

17.	Vendor Name	Hurwitz & Fine, P.C.	Address Line1	1300 Liberty Building
	Type of Procurement	Legal Services	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	BUFFALO
	Award Date	5/1/2019	State	NY
	End Date	5/1/2022	Postal Code	14202
	Fair Market Value		Plus 4	
	Amount	\$11,971.04	Province/Region	
	Amount Expended For Fiscal Year	\$11,971.04	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Legal services related to loans on behalf of related entity. Services provided under active contract and were reimbursed.

18.	Vendor Name	Innovative Cloud Solutions, LLC	Address Line1	165 Montgomery Road
	Type of Procurement	Technology - Consulting/Development or Support	Address Line2	
	Award Process	Non Contract Procurement/Purchase Order	City	ALTAMONTE SPRINGS
	Award Date		State	FL
	End Date		Postal Code	32714
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For Fiscal Year	\$9,880.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Support for implementation of general ledger software

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2021

Run Date: 02/28/2022
 Status: UNSUBMITTED
 Certified Date : N/A

19.	Vendor Name	Invest Buffalo Niagara	Address Line1	257 W. Genesee Street
	Type of Procurement	Other	Address Line2	Suite 600
	Award Process	Non Contract Procurement/Purchase Order	City	BUFFALO
	Award Date		State	NY
	End Date		Postal Code	14202
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For Fiscal Year	\$75,000.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Membership investment

20.	Vendor Name	Key Resource Group	Address Line1	135 Delaware Avenue, Suite 407
	Type of Procurement	Staffing Services	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	BUFFALO
	Award Date	11/16/2020	State	NY
	End Date	1/25/2021	Postal Code	14202
	Fair Market Value		Plus 4	
	Amount	\$9,120.00	Province/Region	
	Amount Expended For Fiscal Year	\$9,120.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Direct hire placement fee

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2021

Run Date: 02/28/2022
 Status: UNSUBMITTED
 Certified Date : N/A

21.	Vendor Name	Lawley	Address Line1	361 Delaware Avenue
	Type of Procurement	Other Professional Services	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	BUFFALO
	Award Date	12/31/2019	State	NY
	End Date	12/31/2020	Postal Code	14202
	Fair Market Value		Plus 4	
	Amount	\$5,687.58	Province/Region	
	Amount Expended For Fiscal Year	\$5,687.58	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Cyber Liability Insurance, Excess Lines Fees

22.	Vendor Name	Layer 3 Technologies	Address Line1	1645 Lyell Avenue
	Type of Procurement	Technology - Software	Address Line2	
	Award Process	Purchased Under State Contract	City	ROCHESTER
	Award Date		State	NY
	End Date		Postal Code	14606
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For Fiscal Year	\$6,143.97	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	IT services subscription, multi-factor authentication software

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2021

Run Date: 02/28/2022
 Status: UNSUBMITTED
 Certified Date : N/A

23.	Vendor Name	MRB Group	Address Line1	145 Culver Road, Suite 160
	Type of Procurement	Consulting Services	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	ROCHESTER
	Award Date	10/4/2021	State	NY
	End Date	9/30/2022	Postal Code	14620
	Fair Market Value		Plus 4	
	Amount	\$85,000.00	Province/Region	
	Amount Expended For Fiscal Year	\$21,250.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Economic development consulting/planning services for update of Comprehensive Economic Development Strategy.

24.	Vendor Name	MRI Contract Staffing, Inc.	Address Line1	6790 Main Street, Suite 160
	Type of Procurement	Staffing Services	Address Line2	
	Award Process	Authority Contract - Non-Competitive Bid	City	WILLIAMSVILLE
	Award Date	2/17/2021	State	NY
	End Date	11/19/2021	Postal Code	14221
	Fair Market Value		Plus 4	
	Amount	\$12,011.10	Province/Region	
	Amount Expended For Fiscal Year	\$12,011.10	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Temporary staffing services through Strauss Executive Search Group Consultants in connection with COVID-19 grant award from EDA on behalf of related entity. Amounts were reimbursed.

Procurement Report for Erie County Industrial Development Agency
Fiscal Year Ending: 12/31/2021

Run Date: 02/28/2022
Status: UNSUBMITTED
Certified Date : N/A

25.	Vendor Name	Management Recruiters of Williamsville	Address Line1	6790 Main Street, Suite 160
	Type of Procurement	Staffing Services	Address Line2	
	Award Process	Authority Contract - Non-Competitive Bid	City	WILLIAMSVILLE
	Award Date	8/10/2021	State	NY
	End Date	11/15/2021	Postal Code	14221
	Fair Market Value		Plus 4	
	Amount	\$15,329.00	Province/Region	
	Amount Expended For Fiscal Year	\$15,329.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Direct hire placement fee

26.	Vendor Name	Metropolitan Life Insurance Company	Address Line1	200 Park Avenue
	Type of Procurement	Other	Address Line2	
	Award Process	Authority Contract - Non-Competitive Bid	City	NEW YORK
	Award Date	5/1/2020	State	NY
	End Date	4/30/2022	Postal Code	10166
	Fair Market Value		Plus 4	
	Amount	\$9,288.67	Province/Region	
	Amount Expended For Fiscal Year	\$9,288.67	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Group term life insurance, long-term disability insurance and accidental death insurance for employees

Procurement Report for Erie County Industrial Development Agency
Fiscal Year Ending: 12/31/2021

Run Date: 02/28/2022
Status: UNSUBMITTED
Certified Date : N/A

27.	Vendor Name	Microsoft	Address Line1	One Microsoft Way
	Type of Procurement	Technology - Hardware	Address Line2	
	Award Process	Authority Contract - Non-Competitive Bid	City	REDMOND
	Award Date	2/16/2021	State	WA
	End Date		Postal Code	98052
	Fair Market Value		Plus 4	
	Amount	\$33,843.73	Province/Region	
	Amount Expended For Fiscal Year	\$33,843.73	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Employee laptops and docking stations.

28.	Vendor Name	NYSIF Workers' Compensation	Address Line1	PO Box 5238
	Type of Procurement	Other Professional Services	Address Line2	
	Award Process	Non Contract Procurement/Purchase Order	City	NEW YORK
	Award Date		State	NY
	End Date		Postal Code	10008
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For Fiscal Year	\$8,278.03	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Workers comp insurance premiums 12/29/20-12/29/21 and 12/29/21-12/29/22

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2021

Run Date: 02/28/2022
Status: UNSUBMITTED
Certified Date : N/A

29.	Vendor Name	New York State Economic Development Council (NYSEDC)	Address Line1	111 Washington Avenue
	Type of Procurement	Other	Address Line2	4th Floor
	Award Process	Non Contract Procurement/Purchase Order	City	ALBANY
	Award Date		State	NY
	End Date		Postal Code	12210
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For Fiscal Year	\$14,040.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Sponsorships for events (\$9,000), membership dues (\$2,000), event registrations (\$3,040.00)

30.	Vendor Name	Otesaga Resort Hotel	Address Line1	60 Lake Street
	Type of Procurement	Other	Address Line2	
	Award Process	Non Contract Procurement/Purchase Order	City	COOPERSTOWN
	Award Date		State	NY
	End Date		Postal Code	13326
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For Fiscal Year	\$6,305.20	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	NYS EDC conference accommodations

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2021

Run Date: 02/28/2022
 Status: UNSUBMITTED
 Certified Date : N/A

31.	Vendor Name	Philadelphia Insurance Companies	Address Line1	P. O. Box 70251
	Type of Procurement	Other	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	PHILADELPHIA
	Award Date	12/31/2020	State	PA
	End Date	12/31/2021	Postal Code	19176
	Fair Market Value		Plus 4	
	Amount	\$76,915.66	Province/Region	
	Amount Expended For Fiscal Year	\$76,915.66	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Directors & officers insurance, municipal package insurance, and general liability insurance for 2021 calendar.

32.	Vendor Name	Print2Web, LLC	Address Line1	25 John Glenn Drive, Suite 102
	Type of Procurement	Other Professional Services	Address Line2	
	Award Process	Non Contract Procurement/Purchase Order	City	AMHERST
	Award Date		State	NY
	End Date		Postal Code	14228
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For Fiscal Year	\$5,271.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	2022 Calendar design (\$1,125), 2020 Annual Report graphic design and printing (\$4,146)

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2021

Run Date: 02/28/2022
Status: UNSUBMITTED
Certified Date : N/A

33.	Vendor Name	Spectrum Reach	Address Line1	425 Michigan Avenue, Suite 205
	Type of Procurement	Other Professional Services	Address Line2	
	Award Process	Authority Contract - Non-Competitive Bid	City	BUFFALO
	Award Date	2/1/2021	State	NY
	End Date	5/31/2021	Postal Code	14203
	Fair Market Value		Plus 4	
	Amount	\$13,000.00	Province/Region	
	Amount Expended For Fiscal Year	\$5,965.62	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Targeted local advertising re: COVID-19 PPE grant program

34.	Vendor Name	The Buffalo News	Address Line1	PO Box 650
	Type of Procurement	Other	Address Line2	
	Award Process	Non Contract Procurement/Purchase Order	City	BUFFALO
	Award Date		State	NY
	End Date		Postal Code	14240
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For Fiscal Year	\$32,529.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Public hearing notices, subscriptions

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2021

Run Date: 02/28/2022
 Status: UNSUBMITTED
 Certified Date : N/A

35.	Vendor Name	W.B. Mason Co., Inc.	Address Line1	P.O. Box 981101
	Type of Procurement	Commodities/Supplies	Address Line2	
	Award Process	Non Contract Procurement/Purchase Order	City	BOSTON
	Award Date		State	MA
	End Date		Postal Code	02298
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For Fiscal Year	\$12,946.84	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Office supplies.

36.	Vendor Name	Westminster Economic Development Initiative (WEDI)	Address Line1	436 Grant Street
	Type of Procurement	Other	Address Line2	
	Award Process	Non Contract Procurement/Purchase Order	City	BUFFALO
	Award Date		State	NY
	End Date		Postal Code	14213
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For Fiscal Year	\$10,000.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	2021 and 2022 event sponsorships

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2021

Run Date: 02/28/2022
Status: UNSUBMITTED
Certified Date: N/A

37.	Vendor Name	Windstream	Address Line1	P.O. Box 9001013
	Type of Procurement	Telecommunication Equipment or Services	Address Line2	
	Award Process	Purchased Under State Contract	City	LOUISVILLE
	Award Date		State	KY
	End Date		Postal Code	40290
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For Fiscal Year	\$22,826,43	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Phone and Internet Services

Additional Comments

ATTACHMENT 8A

Procurement Report for Buffalo and Erie County Regional Development Corporation

Fiscal Year Ending: 12/31/2021

Run Date: 01/22/2022
Status: UNSUBMITTED
Certified Date : N/A

Procurement Information:

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

Procurement Report for Buffalo and Erie County Regional Development Corporation

Fiscal Year Ending: 12/31/2021

Run Date: 01/22/2022
 Status: UNSUBMITTED
 Certified Date : N/A

Procurement Transactions Listing:

1.	Vendor Name	Buffalo Business First	Address Line1	465 Main Street
	Type of Procurement	Other	Address Line2	
	Award Process	Non Contract Procurement/Purchase Order	City	BUFFALO
	Award Date		State	NY
	End Date		Postal Code	14203
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For Fiscal Year	\$16,850.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Loan program marketing in local weekly business publication.

2.	Vendor Name	Erie County IDA	Address Line1	95 Perry Street
	Type of Procurement	Staffing Services	Address Line2	Suite 403
	Award Process	Non Contract Procurement/Purchase Order	City	BUFFALO
	Award Date		State	NY
	End Date		Postal Code	14203
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For Fiscal Year	\$281,590.16	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Management fee to Erie County IDA for staffing services, rent, and expense reimbursement.

Procurement Report for Buffalo and Erie County Regional Development Corporation

Fiscal Year Ending: 12/31/2021

Run Date: 01/22/2022
Status: UNSUBMITTED
Certified Date : N/A

3.	Vendor Name	Freed Maxick CPAs, P.C.	Address Line1	424 Main Street, Suite 800
	Type of Procurement	Other Professional Services	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	BUFFALO
	Award Date	9/27/2017	State	NY
	End Date	5/31/2022	Postal Code	14202
	Fair Market Value		Plus 4	
	Amount	\$19,450.00	Province/Region	
	Amount Expended For Fiscal Year	\$19,450.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Audit services.

4.	Vendor Name	H. Sichernman & Company, Inc.	Address Line1	5852 Forest Creek Drive
	Type of Procurement	Consulting Services	Address Line2	
	Award Process	Authority Contract - Non-Competitive Bid	City	EAST AMHERST
	Award Date	2/12/2021	State	NY
	End Date	2/11/2022	Postal Code	14051
	Fair Market Value		Plus 4	
	Amount	\$9,296.00	Province/Region	
	Amount Expended For Fiscal Year	\$9,296.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Underwriting and loan analysis consulting services at agreed-upon hourly rates.

Procurement Report for Buffalo and Erie County Regional Development Corporation

Fiscal Year Ending: 12/31/2021

Run Date: 01/22/2022
 Status: UNSUBMITTED
 Certified Date: N/A

5.	Vendor Name	Hurwitz & Fine, P.C.	Address Line1	1300 Liberty Building
	Type of Procurement	Legal Services	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	BUFFALO
	Award Date	5/1/2019	State	NY
	End Date	5/1/2022	Postal Code	14202
	Fair Market Value		Plus 4	
	Amount	\$101,015.11	Province/Region	
	Amount Expended For Fiscal Year	\$101,015.11	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Legal services related to lending activity.

6.	Vendor Name	MRI Contract Staffing, Inc.	Address Line1	6790 Main Street, Suite 160
	Type of Procurement	Staffing Services	Address Line2	
	Award Process	Authority Contract - Non-Competitive Bid	City	WILLIAMSVILLE
	Award Date	2/17/2021	State	NY
	End Date	11/19/2021	Postal Code	14221
	Fair Market Value		Plus 4	
	Amount	\$40,427.54	Province/Region	
	Amount Expended For Fiscal Year	\$40,427.54	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Temporary staffing services through Strauss Group Executive Search Consultants in connection with COVID-19 grant award from EDA.

Procurement Report for Buffalo and Erie County Regional Development Corporation

Fiscal Year Ending: 12/31/2021

Run Date: 01/22/2022

Status: UNSUBMITTED

Certified Date: N/A

Additional Comments

Procurement Report for Buffalo and Erie County Industrial Land Development Corporation

Fiscal Year Ending: 12/31/2021

Run Date: 02/23/2022
Status: UNSUBMITTED
Certified Date : N/A

Procurement Information:

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

Procurement Report for Buffalo and Erie County Industrial Land Development Corporation

Fiscal Year Ending: 12/31/2021

Run Date: 02/23/2022
 Status: UNSUBMITTED
 Certified Date : N/A

Procurement Transactions Listing:

1.	Vendor Name	AECOM USA, Inc.	Address Line1	1178 Paysphere Circle
	Type of Procurement	Other Professional Services	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	CHICAGO
	Award Date	4/13/2018	State	IL
	End Date	12/29/2020	Postal Code	60674
	Fair Market Value		Plus 4	
	Amount	\$349,271.00	Province/Region	
	Amount Expended For Fiscal Year	\$9,691.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Bethlehem Steel Infrastructure master plan and Generic Environmental Impact Statement.

2.	Vendor Name	Buffalo Business First	Address Line1	465 Main Street
	Type of Procurement	Other	Address Line2	
	Award Process	Non Contract Procurement/Purchase Order	City	BUFFALO
	Award Date		State	NY
	End Date		Postal Code	14203
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For Fiscal Year	\$10,300.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Event sponsorships and targeted advertising in local weekly business publication.

Procurement Report for Buffalo and Erie County Industrial Land Development Corporation

Fiscal Year Ending: 12/31/2021

Run Date: 02/23/2022
 Status: UNSUBMITTED
 Certified Date: N/A

3.	Vendor Name	Empire State Development	Address Line1	95 Perry Street, 5th Floor
	Type of Procurement	Other	Address Line2	BUFFALO
	Award Process	Non Contract Procurement/Purchase Order	City	NY
	Award Date		State	14203
	End Date		Postal Code	
	Fair Market Value		Plus 4	
	Amount		Province/Region	United States
	Amount Expended For Fiscal Year	\$77,666.45	Country	
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Grant application fee and public hearing expense reimbursement.

4.	Vendor Name	Erie County Industrial Development Agency	Address Line1	95 Perry Street
	Type of Procurement	Staffing Services	Address Line2	Suite 403
	Award Process	Non Contract Procurement/Purchase Order	City	BUFFALO
	Award Date		State	NY
	End Date		Postal Code	14203
	Fair Market Value		Plus 4	
	Amount		Province/Region	United States
	Amount Expended For Fiscal Year	\$95,330.40	Country	
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Management fee to Erie County IDA for staffing services, expense reimbursement.

Procurement Report for Buffalo and Erie County Industrial Land Development Corporation

Fiscal Year Ending: 12/31/2021

Run Date: 02/23/2022
 Status: UNSUBMITTED
 Certified Date : N/A

5.	Vendor Name	Evans Town Clerk / Lynn Krajaic	Address Line1	8787 Erie Road
	Type of Procurement	Other	Address Line2	
	Award Process	Non Contract Procurement/Purchase Order	City	ANGOLA
	Award Date		State	NY
	End Date		Postal Code	14006
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For Fiscal Year	\$11,742.62	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Angola Ag Park property taxes

6.	Vendor Name	Harris Beach, PLLC	Address Line1	Larkin at Exchange
	Type of Procurement	Legal Services	Address Line2	726 Exchange Street, Suite 1000
	Award Process	Authority Contract - Competitive Bid	City	BUFFALO
	Award Date	1/12/2009	State	NY
	End Date	5/1/2022	Postal Code	14210
	Fair Market Value		Plus 4	
	Amount	\$62,287.21	Province/Region	
	Amount Expended For Fiscal Year	\$62,287.21	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Legal services (LLDC General Counsel) based on hourly rates.

Procurement Report for Buffalo and Erie County Industrial Land Development Corporation

Fiscal Year Ending: 12/31/2021

Run Date: 02/23/2022
 Status: UNSUBMITTED
 Certified Date : N/A

7.	Vendor Name	Labella Associates P.C.	Address Line1	300 State Street
	Type of Procurement	Consulting Services	Address Line2	Suite 201
	Award Process	Authority Contract - Competitive Bid	City	ROCHESTER
	Award Date	8/28/2019	State	NY
	End Date		Postal Code	14614
	Fair Market Value		Plus 4	
	Amount	\$18,500.00	Province/Region	
	Amount Expended For Fiscal Year	\$18,500.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Environmental services to assist with due diligence efforts in connection with the purchase and redevelopment of brownfield and various property sites in Erie County, annual BCP certification.

8.	Vendor Name	Labella Associates P.C.	Address Line1	300 State Street
	Type of Procurement	Design and Construction/Maintenance	Address Line2	Suite 201
	Award Process	Authority Contract - Non-Competitive Bid	City	ROCHESTER
	Award Date	11/3/2020	State	NY
	End Date		Postal Code	14614
	Fair Market Value		Plus 4	
	Amount	\$14,500.00	Province/Region	
	Amount Expended For Fiscal Year	\$14,500.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Design of entrance sign for Renaissance Commerce Park

Procurement Report for Buffalo and Erie County Industrial Land Development Corporation

Fiscal Year Ending: 12/31/2021

Run Date: 02/23/2022
 Status: UNSUBMITTED
 Certified Date : N/A

9.	Vendor Name	Labella Associates, P.C.	Address Line1	300 State Street
	Type of Procurement	Consulting Services	Address Line2	Suite 201
	Award Process	Authority Contract - Competitive Bid	City	ROCHESTER
	Award Date	1/20/2020	State	NY
	End Date		Postal Code	14614
	Fair Market Value		Plus 4	
	Amount	\$123,400.00	Province/Region	
	Amount Expended For	\$44,138.20	Country	United States
	Fiscal Year		Procurement Description	Planning/engineering services related to Bethlehem Steel Woodlawn Shoreline Trail
	Explain why the Fair Market Value is Less than the Amount			

10.	Vendor Name	Lackawanna City Treasurer	Address Line1	714 Ridge Road
	Type of Procurement	Other	Address Line2	
	Award Process	Non Contract Procurement/Purchase Order	City	LACKAWANNA
	Award Date		State	NY
	End Date		Postal Code	14218
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For	\$78,581.03	Country	United States
	Fiscal Year		Procurement Description	City of Lackawanna sewer tax for the Renaissance Commerce Park property.
	Explain why the Fair Market Value is Less than the Amount			

Procurement Report for Buffalo and Erie County Industrial Land Development Corporation

Fiscal Year Ending: 12/31/2021

Run Date: 02/23/2022
 Status: UNSUBMITTED
 Certified Date: N/A

11.	Vendor Name	Lippes Mathias LLP	Address Line1	50 Fountain Plaza, Suite 1700
	Type of Procurement	Other	Address Line2	
	Award Process	Authorily Contract - Non-Competitive Bid	City	BUFFALO
	Award Date	6/24/2021	State	NY
	End Date		Postal Code	14202
	Fair Market Value	\$1,538,000.00	Plus 4	
	Amount	\$1,055,001.00	Province/Region	
	Amount Expended For	\$646,360.69	Country	United States
	Fiscal Year		Procurement Description	Lackawanna land purchase: deposit for Phase 2 part 1, pro-rata property taxes for part 1 purchase, deposit for Phase 2 part 2.
	Explain why the Fair Market Value is Less than the Amount			

12.	Vendor Name	Wendel	Address Line1	375 Essjay Road
	Type of Procurement	Consulting Services	Address Line2	Suite 200
	Award Process	Authorily Contract - Competitive Bid	City	WILLIAMSVILLE
	Award Date	12/16/2020	State	NY
	End Date		Postal Code	14221
	Fair Market Value		Plus 4	
	Amount	\$380,670.00	Province/Region	
	Amount Expended For	\$242,582.57	Country	United States
	Fiscal Year		Procurement Description	Erie County Agribusiness Park Master Plan/GEIS
	Explain why the Fair Market Value is Less than the Amount			

Procurement Report for Buffalo and Erie County Industrial Land Development Corporation

Fiscal Year Ending: 12/31/2021

Run Date: 02/23/2022

Status: UNSUBMITTED

Certified Date : N/A

Additional Comments

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

Investment Reports
For the year ended December 31, 2021

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

2021 Annual Investment Report

Purpose of Report:

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

The attached schedule details the corporation's investment income and related fees for the year ended December 31, 2021 and were approved by the Board of each corporation on March 23, 2022.

Investment Guidelines:

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

The Investment Guidelines were approved by the Board of each corporation on March 23, 2022 and are posted on the ECIDA website at <https://www.ecidany.com/about-us-corporate-policies>. The Investment Guidelines for the ECIDA and its affiliates are consistent with the prior Guidelines adopted on March 24, 2021.

Investment Audit:

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

Erie County Industrial Development Agency (ECIDA)
Annual Investment Report
For the year ended December 31, 2021

Account Type	Financial Institution	G/L Balance		Interest Rate ^a Dec 2021	2021			Restricted Purpose
		1/1/2021	12/31/2021		Investment Income	Fees	Restricted	
1 Checking	M&T Bank	1,194,625	925,947	0.01%	98	-	✓	General ECIDA Checking account
2 Savings	M&T Bank	6,423,067	6,925,717	0.02%	2,650	-	✓	General ECIDA Savings account
3 Checking	M&T Bank	35,452	1,185	0.01%	4	-	✓	ECIDA UDAG Fund checking/investment account
4 Savings	M&T Bank	11,016,682	10,785,526	0.02%	4,258	-	✓	ECIDA UDAG Fund Savings/investment account
5 Checking	M&T Bank	155,089	152,416	0.01%	22	-	✓	Restricted account for Erie County shortline railroad related activities
6 Savings	M&T Bank	217,484	561,316	0.02%	183	-	✓	Restricted account for BLC ^a , Riverbend and Northland development
7 Savings	M&T Bank	1,528,292	1,846,057	0.02%	661	-	✓	Restricted account for North Youngmann Commerce Center & designated Erie County projects
8 Savings	M&T Bank	2,730,594	3,657,506	0.02%	1,182	-	✓	Restricted account for Infrastructure Improvements in the Main Street District
9 Savings	M&T Bank	1,657,749	2,304,585	0.02%	721	-	✓	Restricted account for Infrastructure Improvements in the Seneca Street Corridor District ^b
10 Savings	M&T Bank	-	348,142	0.01%	7	-	✓	Restricted account for infrastructure improvements in the Seneca One Tower District ^b
		<u>\$ 24,959,045</u>	<u>\$ 27,508,396</u>		<u>\$ 9,786</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.

Buffalo & Erie County Regional Development Corporation (RDC)
Annual Investment Report
For the year ended December 31, 2021

Account Type	Financial Institution	G/L Balance		Interest Rate ^a Dec 2021	2021		Restricted	Purpose
		1/1/2021	12/31/2021		Investment Income	Fees		
1 Checking	M&T Bank	593,743	959,469	0.01%	96	-	✓	Legacy Loan Fund Checking/Investment account
2 Savings	M&T Bank	5,948,942	6,451,405	0.02%	2,464	-	✓	Legacy Loan Fund Savings/Investment account
3 Checking	M&T Bank	230	379,541	0.01%	26	-	✓	EDA CARES Act Loan Fund Checking account
		<u>\$ 6,542,914</u>	<u>\$ 7,790,415</u>		<u>\$ 2,585</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.

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			Restricted Purpose
		1/1/2021	12/31/2021		Investment Income	Fees		
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.

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

INVESTMENT AND DEPOSIT POLICY

ARTICLE I

Scope

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

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

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

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

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

ARTICLE II
Governing Principles

A. Investment Objectives.

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

B. Diversification.

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

C. Internal Controls.

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

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

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

D. Authorized Financial Institutions and Dealers.

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

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

E. Purchase of Investments.

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

F. Repurchase Agreements.

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

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

ARTICLE III
Investments

A. General Policy.

It is the general policy of the Agency that funds not required for immediate expenditure shall be invested as described in Article III.B below. Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the safety of the principal as well as the probable income, net of fees, to be derived.

B. Permitted Investments.

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

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

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

ARTICLE IV
Deposits

A. Designation of Depositories.

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

B. Collateralization of Deposits.

In accordance with Section 10 of the General Municipal Law, all deposits of the Agency (including certificates of deposit and special time deposits) in excess of the amount

insured under the provisions of the Federal Deposit Insurance Act shall be secured as follows:

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

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

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

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

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

C. Safekeeping and Collateralization.

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

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

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

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

ARTICLE V

Monitoring and Reporting Obligations

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

A. Monthly Monitoring.

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

B. Monitoring and Reporting.

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

C. Annual Monitoring and Reporting.

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

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

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

ARTICLE VI
Annual Review

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

ARTICLE VIII
Savings Clause

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

Re-adopted this 23rd day of March 2022 by the respective Boards of each corporation referenced above.

SCHEDULE A
ELIGIBLE SECURITIES

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

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

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

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

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

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

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

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

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

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

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

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

FINANCE & AUDIT COMMITTEE CHARTER

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

**ARTICLE I
Core Functions**

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

**ARTICLE II
Composition**

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

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

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

ARTICLE III
Committee Meetings

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

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

ARTICLE IV
Committee Responsibilities

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

A. **Independent Auditors and Financial Statements**

The Finance & Audit Committee shall:

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

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

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

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

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

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

B. Internal Controls, Compliance and Risk Assessment

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

C. Special Investigations

The Finance & Audit Committee shall:

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

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

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

D. Other Responsibilities

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

E. Debt Issuance

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

ARTICLE V
Committee Reports

The Finance & Audit Committee shall:

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

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

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

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

ARTICLE VI
Amendments

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

Re-adopted this 23rd day of March 2022 by the respective Boards of each corporation referenced above.

Erie County Industrial Development Agency

Credit Card Policy Effective June 15, 2015

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

I. Introduction:

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

II. Authorization

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

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

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

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

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

III. Use of Cards

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

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

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

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

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

IV. Recordkeeping

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

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

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

Schedule A

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

Re-adopted this 23rd day of March 2022 by the respective Boards of each corporation referenced above.

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	Pending	Comments
1. Are the members of the Finance & Audit Committee appointed in accordance with the Bylaws and do individuals appointed to the Finance & Audit Committee possess the necessary skills to understand the duties and functions of the Finance & Audit Committee and are familiar with corporate financial and accounting practices?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
2. Is each member of the Finance & Audit Committee an “independent member” within the meaning of, and to the extent required by, Section 2825 of the New York Public Authorities Law, as amended from time to time? Did Finance & Audit Committee members, who are members of the Agency, comply with the conflict of interest provisions applicable to public officers under Article 18 of the New York General Municipal Law?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3. Did the Finance & Audit Committee meet a minimum of twice each calendar year?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Finance & Audit Committee met on 3/17/21, 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
<p>7. Did the Finance & Audit Committee review management's assessment of the effectiveness of the Agency's internal controls and review the actions taken by management on the independent accountants' and auditors' suggestions for correcting weaknesses in the Agency's internal controls, regulatory compliance, and organizational structure and operations?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>Management's assessment of the effectiveness of internal controls was reviewed with the Committee at the March 2021 meeting. The March 2021 audit reports did not identify any internal control deficiencies or material weaknesses.</p>
<p>8. Did the Finance & Audit Committee:</p> <p>(a) Ensure that the Agency has a confidential mechanism for individuals to report suspected fraudulent activities, allegations of corruption, fraud, criminal activity, conflicts of interest by directors, officers, or employees of the Agency or anyone having business dealings with the Agency?</p> <p>(b) Develop procedures for the receipt, retention, investigation, or referral of complaints concerning accounting, internal controls, and auditing?</p> <p>(c) Request and oversee special investigations as needed or refer specific issues to the Board or appropriate committee for further investigation?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>The ECIDA adopted a Whistleblower Policy in March of 2012. The Policy describes the process for reporting suspected fraudulent activities and describes the protections afforded to individuals who report suspected fraudulent activities. The Policy was re-adopted by the Board of Directors on 3/24/21.</p>
<p>9. Did the Finance & Audit Committee obtain information and training needed to enhance the committee members' understanding of the role of the independent auditor, the risk management process, internal controls, and appropriate level of familiarity in financial reporting standards and processes?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>On 3/17/21, the Committee reviewed an article entitled, "The Strategic Audit Committee: Navigating 2021" published by the Deloitte Center for Board Effectiveness.</p>

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.



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

2021 Assessment of the Effectiveness of Internal Controls

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

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

All computers are password protected and require multi-factor authentication to log in. General ledger software is separately password protected. Access to the general ledger software is restricted to the CFO, Senior Accountant and Bookkeeper.

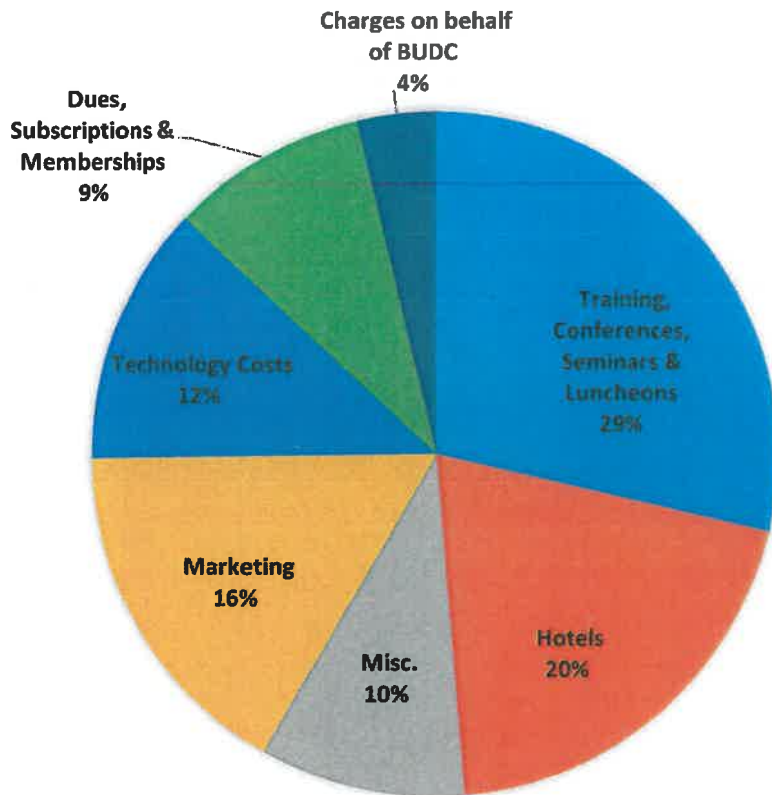
The ECIDA, RDC and ILDC undergo annual financial statement audits by an independent accounting firm, in accordance with Government Auditing Standards. While auditors are not engaged to perform an audit of internal controls, the auditors do review and test internal controls as part of their audit procedures. There have been no material weaknesses or significant deficiencies in internal controls nor other management letter recommendations noted by the independent auditors.

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

This statement certifies that the Erie County Industrial Development Agency, Buffalo & Erie County Regional Development Corporation and Buffalo & Erie County Industrial Land Development Corporation followed a process that assessed and documented the adequacy of its internal control structure and policies for the year ending December 31, 2021. To the extent that deficiencies were identified, the authority has developed corrective action plans to reduce any corresponding risk.

Erie County Industrial Development Agency
Summary of Charges to Corporate Credit Card
 For statement period 3/6/2021 to 2/6/2022

Training, Conferences, Seminars & Luncheons	\$ 5,943
Hotels	4,164
Misc.	1,988
Marketing	3,424
Technology Costs	2,552
Dues, Subscriptions & Memberships	1,909
Charges on behalf of BUDC	771
	<u>\$ 20,750</u>





Center for Board Effectiveness

On the audit committee's agenda

What's on the horizon for 2022?

Introduction

The past year has made it clear that many of the fundamental changes to organizations that were brought on by the pandemic are here for the long haul. The impacts of widespread remote work, accelerated digital transformation, and shifts in talent dynamics have been far-reaching, and the full scope of their effects—and related risks—is not yet certain.

The audit committee's role in overseeing risk and financial reporting is more important than ever in this evolving context, as organizations navigate increasingly complex reporting requirements and a shifting regulatory landscape. Effective oversight requires committee members to stay up to date on these changes while understanding how emerging risks may impact the organization. This publication

highlights five areas of focus—financial reporting and controls; enterprise risk management; environmental, social, and governance; cyber risk; and digital finance transformation—that likely will be recurring topics of discussion for audit committees in 2022. While these topics cover only certain aspects of audit committee responsibilities, their importance and prominence on agendas is reflected in audit committee member survey responses captured in the recent [Deloitte and CAQ Audit Committee Practices Report](#). Each topic highlighted also includes probing questions audit committees can consider posing to management to help them stay ahead of issues, navigate pitfalls, and fulfill the organization's responsibilities to investors and other key stakeholders. ➤

Financial reporting and internal controls

The fundamental role of the audit committee is overseeing the integrity of the financial statements, which entails accurate financial reporting with strong internal control over financial reporting, but that doesn't mean the associated responsibilities are static or predictable. Companies continue to navigate uncharted waters in areas such as remote work, shifting talent requirements, and emerging technologies that impact the finance organization and evolve how business is conducted. With these large-scale changes comes an increased risk for fraud. It is critical in the current environment for audit committees to understand the development of new controls and the testing and rationalization of existing ones.

24%

73%

Nearly a quarter (24%) of respondents believe they will spend more time, and approximately three-quarters (73%) expect to spend about the same amount of time, on this critical area compared to last year.

Source: *Deloitte and CAQ Audit Committee Practices Report*

The current regulatory environment may also have a significant impact on financial reporting, especially as it relates to disclosures. The SEC's disclosed regulatory agenda includes proposing rules on disclosure relating to climate risk; human capital, including workforce diversity and corporate board diversity; and cyber risk. Audit committees should consider engaging in discussions with the regulators to help drive the agenda and stay apprised of developments. Additionally, once rules are proposed, they should understand how the proposed rules will impact disclosures and the processes and controls management has in place around those disclosures. ➔

Financial reporting and internal controls questions for audit committees to consider:

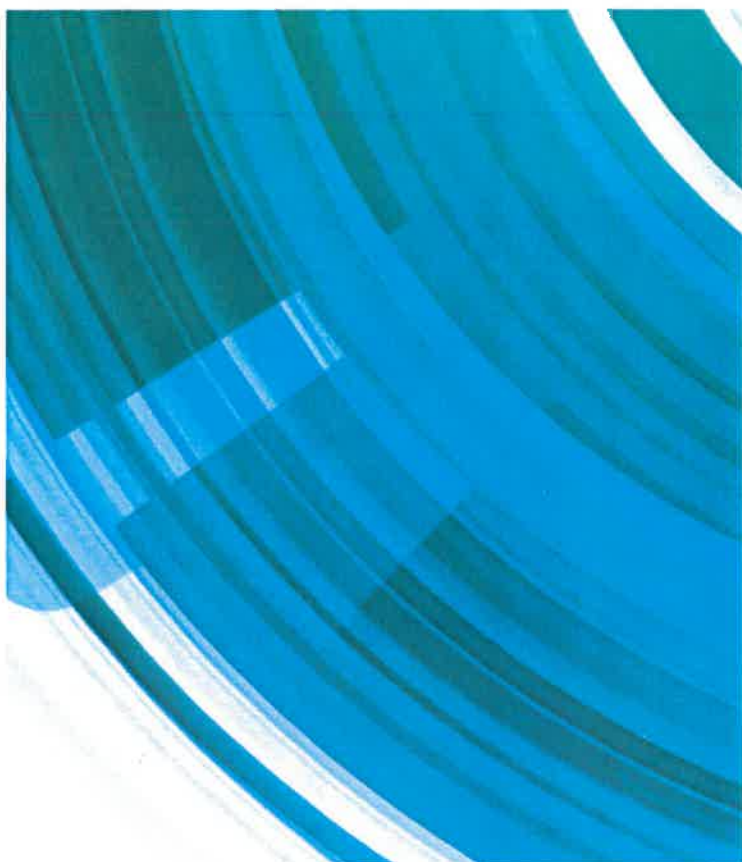
- How have shifts in the organization's talent model and the associated job responsibilities affected controls, including whether there is an appropriate segregation of duties?
- Have changes in transaction flow and processes resulted in a change in the design and monitoring of controls? If so, how has management ensured that controls have been appropriately redesigned?
- What new internal controls should be considered given ongoing shifts in the business operating model?
- Has management considered the potential for emerging fraud risks, and what has been the process for developing and assessing the appropriate internal controls?
- Does management have appropriate disclosure controls and procedures (DCPs) related to the disclosure of non-GAAP measures to ensure that procedures are in place regarding compliance, consistency of preparation, data quality, accuracy of calculation, transparency of disclosure, review, and monitoring?

Enterprise risk management

Audit committees play a major role in understanding and communicating the importance of an effective risk management program and related infrastructure and policies. Forty-two percent of audit committee members who responded to the survey as summarized in the *Deloitte and CAQ Audit Committee Practices Report* said that the audit committee has primary oversight of enterprise risk, with 33% reporting that the full board has responsibility and 20% using a dedicated risk committee.¹

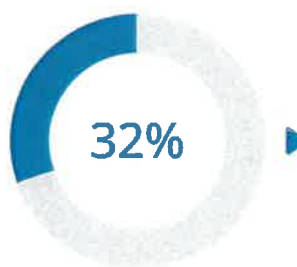
But regardless of the governance structure, enterprise-level risk is never the sole responsibility of an individual or group, which is why it's critical for the audit committee to work with the board to allocate oversight of key risks across the full board and its committees.

The audit committee should understand how management identifies, monitors, and evaluates key risks, particularly in the context of the volatile risk environment brought about by the pandemic. This includes inquiring about how emerging risks are incorporated in the organization's risk map, who is responsible for monitoring them, and how risks are disclosed. When developing audit committee meeting agendas, topics should be viewed through a risk lens. The committee chair should make certain that key risks are reflected on the agenda and prioritize discussions related to risk oversight. ➤



Enterprise risk management questions for audit committees to consider:

- Is there agreement between the board and its committees on where primary responsibility lies for overseeing the enterprise risk management (ERM) program and related processes?
- Is there a clear mapping of how key risks are allocated to the board or individual committees for oversight? Is this delineation of responsibilities regularly reassessed?
- How often is enterprise risk management on the board's (or audit committee's) agenda, and what information is being provided in support of this?
- How does internal audit's plan align with the key risks identified in the ERM program?
- How are management and internal audit staying ahead of emerging and evolving risk areas such as technology, ESG, and cybersecurity?
- Has management taken into consideration unlikely but potentially severe risks that could have a significant detrimental effect on the organization?
- Have risks to the extended enterprise, including third-party risks, been appropriately assessed?




Nearly one-third of the audit committee members surveyed said their committees likely will be increasing the amount of time spent on enterprise risk management in the coming year.

Source: *Deloitte and CAQ Audit Committee Practices Report*



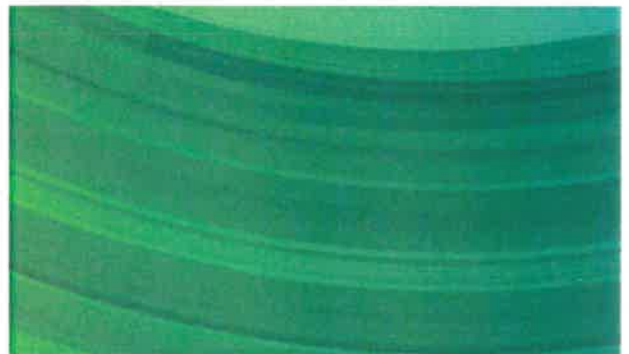
1. Twenty-four percent of survey respondents primarily operate in the financial services industry; the regulatory requirement for some public financial services companies to have a risk committee may be driving this result.

Environmental, social, and governance (ESG)

Having an effective ESG oversight and reporting policy and framework is quickly transitioning from a good-to-have to a must-have for many companies across industries, as investors and other stakeholders push for greater accountability, clarity, and disclosure. Two-thirds of audit committee members surveyed in the [Deloitte and CAQ Audit Committee Practices Report](#) said that their organizations issue a sustainability or ESG-related report, with 69% reporting that their committees have sought or are actively discussing obtaining third-party assurance on components of ESG and sustainability data. Rulemaking also is proceeding at a rapid pace, with the SEC set to propose rules in areas such as climate change, cyber risk governance, board diversity, and human capital management in early 2022. In addition, there has been strong movement toward the global convergence of standards, as reflected by the November 2021 announcement of the formation of the International Sustainability Standards Board. Staying on top of these changes will require regular engagement from the audit committee.² 

ESG questions for audit committees to consider:

- Where does the primary ownership and oversight responsibility for ESG reside on the board, both overall and in terms of its various components (e.g., climate, diversity, talent, cyber)? Is there consistent understanding of where and when these elements are being discussed at the board and committee level?
- How is the organization kept aware of developments in ESG legislation and regulations in all the relevant jurisdictions for the business?
- How could climate-related matters affect assets, cash flow, and capital allocation?
- How confident are management and the board in the organization's ability to anticipate disruptive environmental and societal trends?
- Has the audit committee reviewed the organization's sustainability report prior to issuing, and has management walked through the key assumptions made and the basis for the metrics and goals disclosed?
- How is management taking into account the organization's environmental goals and related activities for SEC reporting purposes (e.g., the business, risk factors, results of operations sections in SEC filings)?
- If the organization discloses climate-related information in the annual report that contains or accompanies the financial statements (such as in the MD&A), are those disclosures consistent with the audited financial statements?



2. For further information on the audit committee's role in overseeing ESG matters, see Deloitte's recent issue of *On the audit committee's agenda* titled [Navigating the ESG journey in 2022 and beyond](#).

Cyber risk, data privacy, and security

The continued proliferation of virtual work across nearly all facets of business has heightened the complexity and risks associated with cybersecurity and data privacy. A June 2021 Deloitte poll revealed that 86% of executives expect cyberattacks targeting their organization to increase over the next 12 months, with 64% highlighting ransomware as the top concern. Cyberattacks pose critical financial, operational, and reputational risks to companies and their customers. Audit committees should engage with management to make sure that the organization's cyber risk profile is fully understood so that the appropriate investments and mitigation measures can be taken to minimize risk. ➡



Source: Deloitte and CAQ Audit Committee Practices Report

Cyber risk, data privacy, and security questions for audit committees to consider:

- Has management been through a cyber simulation session, and what were the results on the effectiveness of the organization's cyber response plan?
- Has a cyber assessment been conducted on the organization's operational technology, including the business impact of an operational technology breach?
- Does the organization know where its most sensitive information is kept, and if so, do they know how that information is stored, used, and protected?
- Have cyberattacks increased, and have the applicable controls been reassessed, including those related to a long-term remote workforce?
- Has the organization's cyber risk profile been assessed internally or externally to identify areas where digital finance transformation, ESG, and other new or quickly shifting requirements and initiatives may pose risks?
- Are the appropriate leadership, structure, capabilities, resources, and support in place to address cyber risks comprehensively?
- Is there an enterprise response plan and a ransomware playbook or checklist that can quickly be implemented if needed?
- Is management being proactive in identifying and complying with all the laws and regulations that govern data capture, use, retention, security, and disposal?



Digital finance transformation

Digital finance transformation efforts have kicked into high gear over the past two years, with no slowdown in sight. A successful transformation can help the finance function leverage technology to replace mundane, repetitive tasks, and advanced techniques such as predictive analytics can be used for scenario analyses. Automation can allow finance professionals to apply their skills on more strategic and value-added initiatives that ultimately can provide for more strategic insights.

But alongside these opportunities come risks in areas such as talent, data, legacy systems, stakeholder commitment, and governance. Audit committees should seek to understand the finance transformation journey the organization is on, ensure that the scope is appropriately defined and that a dedicated and accountable team will lead the transformation efforts, and plan for potential operational disruptions.

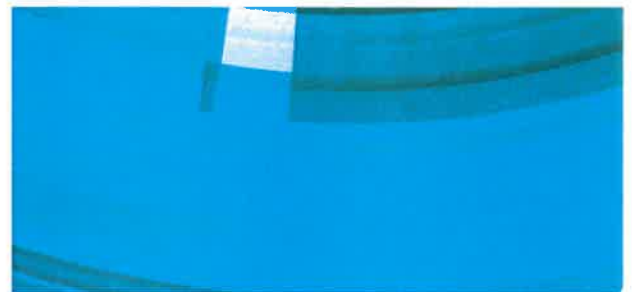


Digital finance transformation questions for audit committees to consider:

- What are management's transformational goals? How will management measure success and drive accountability?
- Are different finance and digital transformation initiatives aligned around common objectives and staged appropriately?
- What change management procedures are being implemented to monitor changes? Does the organization have the right skill sets to lead the organization through change?
- What's the number one risk as it relates to digital finance transformation, and how is it being mitigated?
- Is there the need to upskill employees or bring in new skill sets to operate in the new environment?
- Who is tracking the cost, value, and metrics for the transformation? How is success measured?

Conclusion

The breadth and pace of recent shifts in the modes, means, and tools of doing business has been remarkable. Many of these developments hold the promise of enhancing the efficiency, financial success, and accountability of companies that can successfully navigate them. The items discussed in this article don't capture all the topics audit committees will be dealing with in 2022, but the areas highlighted will likely warrant increased attention and discussion. Focusing on these areas will help audit committees stay on top of emerging risks and provide proactive and effective governance during this period of transformative change.³



3. For discussion of additional topics impacting the overall board, such as diversity, equity, and inclusion; workforce wellness; climate change; technology risk; and board effectiveness, see the latest editions of *On the board's agenda*.

Authors



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



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



Kimia Clemente
Senior Manager
Center for Board Effectiveness
Deloitte & Touche LLP
kclemente@deloitte.com



Nidhi Sheth
Manager
Center for Board Effectiveness
Deloitte & Touche LLP
nidsheth@deloitte.com

Contact us



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



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



Caroline Schoenecker
Senior Manager
Center for Board Effectiveness
Deloitte LLP
cschoenecker@deloitte.com



Bob Lamm
Independent Senior Advisor
Center for Board Effectiveness
Deloitte LLP
rlamm@deloitte.com

Acknowledgments

Deloitte would like to thank **Jeremy Hall** and **Kirti Parakh** for assisting in the creation of this edition of *On the audit committee's agenda*.

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

About the Center for Board Effectiveness

The Center for Board Effectiveness helps directors deliver value to the organizations they serve through a portfolio of high quality, innovative experiences throughout their tenure as board members. Whether an individual is aspiring to board participation or a veteran of many board experiences, the center's programs enable them to contribute effectively and provide focus in the areas of governance and audit, strategy, risk, innovation, compensation, and succession. For more information, contact us at centerforboardeffectiveness@deloitte.com.

About Deloitte

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