



**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, 2023**

**ECIDA Offices
95 Perry Street, 4th Floor
Buffalo, New York 14203**

at 12:00 p.m.

1. Approval of Minutes – January 10, 2023 (Action) (Pages 2-3)
2. Draft 2022 ECIDA Audited Financial Statements & Management Report (Action) (Pages 4-30)
3. Draft 2022 RDC Audited Financial Statements (Action) (Pages 31-56)
4. Draft 2022 ILDC Audited Financial Statements (Action) (Pages 57-77)
5. 2022 PAAA Annual Report (Action) (Action) (Pages 78-143)
6. 2022 Investment Reports (Action) (Pages 144-148)
7. Investment and Deposit Policy (Re-adoption) (Action) (Pages 149-156)
8. Finance & Audit Committee Charter (Re-adoption) (Action) (Pages 157-161)
9. Corporate Credit Card Policy (Re-adoption) (Action) (Pages 162-164)
10. 2022 Finance & Audit Committee Self-Evaluation (Action) (Pages 165-169)
11. 2022 Management’s Assessment of Internal Controls (Informational) (Pages 170-171)
12. Corporate Credit Card Usage Report (Informational) (Page 172)
13. New Business (Informational) (Pages 173-177)
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)**

- DATE AND PLACE:** January 10, 2023, at the Erie County Industrial Development Agency, 95 Perry Street, Suite 403, Buffalo, New York 14203
- PRESENT:** Penny Beckwith, Allison DeHoney, Denise McCowan, Hon. Glenn R. Nellis, Michael Szukala and William Witzleben
- ABSENT:** Hon. Brian J. Kulpa
- OTHERS PRESENT:** John Cappellino, President & CEO; Mollie Profic, Chief Financial Officer/Assistant Secretary; Atiqa Abidi, Assistant Treasurer; Soma Hawramee, Compliance Portfolio Manager; Brian Krygier, Director of Information Technology; Carrie Hocieniec, Operations Assistant; and Robert G. Murray, Esq., General Counsel/Harris Beach PLLC
- GUESTS:** Zachary Evans on behalf of Erie County; Seth Hennard and Jenna Sheehan on behalf of Lumsden McCormick

There being a quorum present at 12:15 p.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 October 17, 2022 minutes of the joint meeting of the Finance and Audit Committee were presented. Upon motion made by Mr. Nellis, and seconded by Mr. Witzleben, and after a vote was called for by Mr. Szukala, the October 17, 2022 minutes of the Finance and Audit Committee were unanimously approved.

LUMSDEN MCCORMICK 2022 AUDIT PLAN

Seth Hennard and Jenna Sheehan on behalf of Lumsden McCormick provided an overview of its ECIDA, RDC and ILDC 2022 audit plan and schedule.

PUBLIC SECTOR BANKING SERVICES RFP

Ms. Profic reviewed the public sector banking services RFP as issued and responses to same. She noted 5 responses were received, that ECIDA staff had undertaken an initial review of the responses and shortlisted the respondents to Evans Bank, KeyBank and M&T Bank and undertook additional review and consideration.

Ms. Profic confirmed staff is recommending M&T Bank be retained due to offering competitive interest rates, its dedicated government banking team, its “outstanding” CRA ranking, its multi anti-fraud services and its DEI initiatives and programs, and further confirmed that staff is recommending that M&T Bank be engaged in a manner consistent with the ECIDA’s banking professional services policy consisting of an initial 3-year term with two, one-year extension options at the discretion of the Finance & Audition Committee, said engagement to be ultimately approved by the ECIDA, RDC, and ILDC boards.

Mr. Szukala moved and Ms. DeHoney seconded to recommend to the ECIDA, RDC and ILDC Boards to approve the selection of M&T Bank as the prime bank of each respective entity. Mr. Szukala called for the vote and the motion was then unanimously approved with Ms. Beckwith and Mr. Witzleben abstaining.

There being no further business to discuss, Mr. Szukala adjourned the meeting at 12:42 p.m.

Dated: January 10, 2023

Elizabeth A. O’Keefe, Secretary

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COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

March 16, 2023

Members of the Finance & Audit Committees and Boards of Directors
Erie County Industrial Development Agency and related entities

We have audited the separate financial statements of Erie County Industrial Development Agency (ECIDA), Buffalo and Erie County Regional Development Corporation (RDC), and Buffalo and Erie County Industrial Land Development Corporation (ILDC), business-type activities (collectively, the Organizations) for the year ended December 31, 2022. Professional standards require that we advise you the following matters related to our audits.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated January 9, 2023, our responsibility, as described by professional standards, is to form and express an opinion about whether each entity's financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audits of each entity's financial statements do not relieve you or management of their respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audits to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of each entity's internal control over financial reporting. Accordingly, as part of our audits, we considered the internal control of each entity solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible to communicate significant matters related to the audits that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audits consistent with the planned scope and timing we previously communicated to you in the engagement letter.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

Our audit planning and risk assessment identified management override of controls and improper revenue recognition as significant audit risks, both of which are presumptive risks in financial statement audits. Our audit procedures were designed to address these risks and no matters of concern were identified as a result of our procedures.

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Qualitative Aspects of the Organizations' Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Organizations are included in Note 1 to each entity's financial statements. The Organizations adopted Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, during 2022. Other than the adoption of this standard, no other accounting policies were adopted and the application of existing policies was not changed during 2022. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. The most sensitive accounting estimates affecting each entity's financial statements are:

- Establishing allowances for uncollectible loans
- Depreciable lives and methods
- Valuation of other assets
- Valuation of leases receivable and payable

Management's estimates of the above are based on management's knowledge and experience about past and current events and assumptions about future events. We evaluated the key factors and assumptions used to develop the estimates above and determined that they are reasonable in relation to each entity's financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. We evaluated all disclosures in relation to each entity's financial statements as a whole and determined that they are reasonable.

Significant Difficulties Encountered During the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audits.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. We discovered no such misstatements during our audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. No audit adjustments were made for the year ended December 31, 2022.

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Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to each entity's financial statements or the auditors' report. No such disagreements arose during the course of the audits.

Circumstances that Affect the Form and Content of the Auditors' Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditors' reports. There were no modifications to the audit opinions.

Representations Requested from Management

We have requested certain written representations from management, which are included in the management representation letter dated consistent with the financial statement audit report date.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matter.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Organizations, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, business conditions affecting the Organizations, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our appointment as the Organizations' auditors.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis that supplements the basic financial statements for each entity. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

With respect to each of the supplementary information accompanying the financial statements of each entity, we made certain inquiries of management and evaluated the form, content, and methods of preparing the schedules to determine that the information complies with accounting principles generally accepted in the United States of America, the methods of preparing them has not changed from the prior period, and the schedules are appropriate and complete in relation to our audits of the Organizations' financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Finance & Audit Committees, Board of Directors, and management of the Organizations. It is not intended to be and should not be used by anyone other than these specified parties.

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MANAGEMENT LETTER

March 16, 2023

The Finance & Audit Committees, Boards of Directors, and Management
Erie County Industrial Development Agency and related entities

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, the Organizations), business-type activities, as of and for the year ended December 31, 2022, 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. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error or fraud may occur and not be detected by such controls. 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 the Organizations. It is not intended to be, and should not be, used by anyone other than these specified parties.

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**ERIE COUNTY INDUSTRIAL
DEVELOPMENT AGENCY**

FINANCIAL STATEMENTS

DECEMBER 31, 2022

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ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Erie County Industrial Development Agency

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Erie County Industrial Development Agency (ECIDA), a business-type activity, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise ECIDA's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of ECIDA as of December 31, 2022, and the changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis For Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of ECIDA, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

2021 Financial Statements

The financial statements of ECIDA as of and for the year ended December 31, 2021 were audited by another auditor who expressed an unmodified opinion on those statements on March 24, 2022.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about ECIDA's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ECIDA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ECIDA's ability to continue as a going concern for a reasonable period of time.

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

Change in Accounting Principle

As described in Note 2 to the financial statements, ECIDA adopted GASB Statement No. 87, *Leases*, in 2022. Our opinion is not modified with respect to this matter.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise ECIDA's basic financial statements. The accompanying supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2023 on our consideration of ECIDA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering ECIDA's internal control over financial reporting and compliance.

March 16, 2023

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ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Management's Discussion and Analysis (unaudited)

December 31, 2022

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 - 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, 2022, 2021, and 2020. We encourage readers to consider the information presented here in conjunction with ECIDA's audited financial statements.

Effective January 1, 2021, ECIDA adopted GASB *Statement No. 87, Leases* (GASB 87). This statement requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and that recognized income or expense, based on the payment provisions of the contract. Under this statement, a lessee is required to recognize a lease as a 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.

Basic Overview of the Financial Statements

Included in this report are the following financial statements:

- 1) **Balance Sheets** - The balance sheets 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 2% from \$20,866,000 in 2021 to \$20,638,000 in 2022.
- ECIDA experienced a decrease in net position of \$228,000 in 2022 compared to \$195,000 in 2021.
- Administrative fees, a key source of revenue for ECIDA, decreased 32% from \$2,419,000 in 2021 to \$1,656,000 in 2022.
- Operating expenses increased from \$2,734,000 in 2021 to \$2,946,000 in 2022.

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Condensed Comparative Financial Statements

Balance Sheets at December 31:

<i>in thousands</i>	2022	2021	\$ Change	% Change	2020
Assets					
Cash	\$ 18,401	\$ 18,638	\$ (237)	(1%)	\$ 18,670
Receivables and other assets	2,467	3,121	(654)	(21%)	2,088
Capital assets, net	1,166	1,422	(256)	(18%)	1,249
Restricted cash	9,524	8,870	654	7%	6,289
Total assets	31,558	32,051	(493)	(2%)	28,296
Liabilities					
Other liabilities	\$ 958	\$ 1,614	\$ (656)	(41%)	\$ 1,064
Funds held on behalf of others	9,318	8,718	600	7%	6,134
Total liabilities	10,276	10,332	(56)	(1%)	7,198
Deferred inflows of resources – leases	644	853	(209)	(25%)	-
Net position					
Net investment in capital assets	1,040	1,134	(94)	(8%)	1,249
Restricted	11,332	11,435	(103)	(1%)	11,647
Unrestricted	8,266	8,297	(31)	-	8,202
Total net position	20,638	20,866	(228)	(1%)	21,098
Total liabilities, deferred inflows, and net position	\$ 31,558	\$ 32,051	\$ (493)	(2%)	\$ 28,296

Restricted cash consists primarily of funds held on behalf of others including the Erie County Regional Redevelopment Fund, Buffalo Brownfields Redevelopment Fund, and PILOT Increment Financing (PIF) funds. The \$654,000 or 7% increase from 2021 is primarily due to PILOT and PIF receipts of \$1,414,000 and interest of \$30,000 exceeding required disbursements to municipalities of \$676,000 and eligible project funds of \$168,000. Restricted cash also includes \$207,000 for the Railway Trust Fund, which increased \$55,000 from 2021. The \$2,581,000, or 41%, increase in 2021 over 2020 was due to continued PILOT payments into PIF funds and the establishment of a new PIF in 2021.

Receivables and other assets include grants receivable, affiliate receivables, leases receivable, prepaid expenses, and venture capital investments. The decrease of \$654,000 is primarily the result of \$219,000 of cash received from special project grants, \$210,000 of cash received from building leases, and \$284,000 from affiliates. The increase from 2020 to 2021 is from implementation of GASB 87, resulting in \$853,000 of leases receivable and deferred inflow of resources at December 31, 2021.

The \$656,000 decrease in other liabilities is due to decreases in accounts payable of \$265,000, unearned revenue of \$229,000, and leases payable of \$162,000. Unearned revenue is offset by grants receivable and is recognized as special project revenue as eligible activities are performed. ECIDA rents office space that is capitalized as a right-to-use lease asset in accordance with GASB 87 and the related lease payable decreases as payments are made. The increase from 2020 to 2021 was partially caused by the implementation of GASB 87. Other liabilities include leases payable of \$288,000 at December 31, 2021 that were not included in 2020.

In accordance with GASB 87, ECIDA has capitalized the present value of future lease receipts as a lease receivable and deferred inflow of resources. The lease receivable is reduced as cash is received and the deferred inflow of resources is recognized as rental income over the term of the lease contract. ECIDA implemented GASB 87 as of January 1, 2021, the earliest year presented in the accompanying financial statements, and as such associated lease accounts are not reflected in this MD&A for 2020.

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Statements of Revenues, Expenses, and Changes in Net Position for the years ended December 31:

<i>in thousands</i>	2022	2021	\$ Change	% Change	2020
Operating revenues:					
Administrative fees	\$ 1,656	\$ 2,419	\$ (763)	(32%)	\$ 1,850
Affiliate management fees	466	419	47	11%	387
Rental and other	438	405	33	8%	439
Total operating revenues	2,560	3,243	(683)	(21%)	2,676
Operating expenses:					
Salaries and benefits	1,999	1,905	94	5%	2,004
General and administrative	687	564	123	22%	625
Depreciation, amortization, and other	260	265	(5)	(2%)	118
Total operating expenses	2,946	2,734	212	8%	2,747
Special project grants:					
Revenues	966	5,484	(4,518)	(82%)	113
Expenses	(896)	(6,228)	5,332	(86%)	(1,476)
Total special project grants	70	(744)	814	(109%)	(1,363)
Operating loss	(316)	(235)	(81)	34%	(1,434)
Nonoperating revenue (expense), net	88	40	48	120%	(90)
Change in net position	(228)	(195)	(33)	17%	(1,524)
Net position – beginning	20,866	21,098	(232)	(1%)	22,622
Restatement – GASB 87	-	(37)			-
Net position – ending	\$ 20,638	\$ 20,866	\$ (228)	(1%)	\$ 21,098

Revenue Analysis

Administrative fees are primarily collected from the issuance of various forms of tax abatements and tax-exempt financing. Fees for tax abatement 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 decreased \$763,000 or 32% in 2022 primarily due to a decrease in the value of induced projects. Administrative fees were collected related to 25 different projects in 2022, down from 31 in 2021. In 2020, administrative fees were collected related to 21 projects.

Affiliate management fees represent salaries and overhead costs charged to ECIDA affiliates for services that ECIDA's employees provide to these organizations. ECIDA's affiliates include Buffalo & Erie County Regional Development Corporation (RDC), a lending corporation, and Buffalo & Erie County Industrial Land Development Corporation (ILDC), a land development corporation. Affiliate management fees from ILDC increased \$53,000 while fees from RDC decreased \$6,000.

Rental and other income is primarily comprised of rental income for building leases and rental income from the Port Terminal Facility.

Expense Analysis

Salaries and benefits increased \$94,000, or 5%, in 2022 due to employee raises and performance incentives. In 2021, salaries and benefits decreased \$99,000 from 2020 due to no performance incentive payments, lower pension contributions due to newly hired employees, and decreases in accrued leave balances.

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General and administrative expenses increased \$123,000 from \$564,000 in 2021 to \$687,000 in 2022 primarily due to an \$89,000 refund for previously recognized administrative fee revenue. The final project budget was below initial estimates and the fee due to ECIDA was reduced accordingly. In 2021, general and administrative expenses decreased \$61,000 which is partially due to the implementation of GASB 87 as lease payments in 2020 are reclassified as amortization and interest expense beginning in 2021. Consultant fees increased \$84,000 and insurance costs increased \$31,000 which partially offset the overall decrease in general and administrative expenses in 2021.

Net special project grants increased from a \$744,000 net loss in 2021 to net income of \$70,000 in 2022. In 2022, grant revenues mostly equaled grant expenses as the ECIDA passed through Erie County funds of \$385,000 to ILDC and \$198,000 of CARES Act funds to RDC. In 2021, ECIDA established a COVID-19 Personal Protective Equipment (PPE) Grant in response to the state of emergency declared in New York State and expended \$559,000 of funds for this purpose. ECIDA also granted ILDC \$213,000 to support carrying costs of property owned.

Budget Analysis

ECIDA prepares an annual budget which was presented and approved by the Board of Directors on October 27, 2021. The following table presents an analysis of ECIDA's performance compared to the approved 2022 budget.

<i>in thousands</i>	Actual	Budget	Variance \$	%
Operating revenues:				
Administrative fees	\$ 1,656	\$ 1,855	\$ (199)	(11%)
Affiliate management fees	466	434	32	7%
Rental and other	438	450	(12)	(3%)
Total operating revenues	2,560	2,739	(179)	(7%)
Operating expenses:				
Salaries and benefits	1,999	2,092	(93)	(4%)
General and administrative	687	714	(27)	(4%)
Depreciation, amortization, and other	260	120	140	117%
Total operating expenses	2,946	2,926	20	1%
Operating income before special project grants	(386)	(187)	(199)	106%
Special project grants:				
Revenues	966	832	134	16%
Expenses	(896)	(824)	(72)	9%
Total special project grants	70	8	62	775%
Nonoperating revenue, net	88	13	75	577%
Change in net position	\$ (228)	\$ (166)	\$ (62)	37%

Budget to Actual Analysis

Overall, ECIDA exceeded its budgeted decrease in net position for 2022 by \$62,000. Administrative fees were 11% less than the budgeted amount due to smaller tax incentive projects approved and closed than anticipated. Total operating expenses were \$20,000 over budget and nonoperating revenue was higher than budget by \$75,000. Nonoperating revenue includes interest income on cash deposits that was \$60,000 greater than expected. Net special project grants had a positive variance of \$62,000.

ECIDA implemented GASB 87, *Leases*, which required various reclassifications on the Statements of Revenues, Expenses, and Changes in Net Position that were not reflected in the 2022 budget. A portion of rental income was reclassified to interest income. ECIDA's payments as a lessee are now capitalized as a right-to-use lease asset, resulting in lease payments budgeted as general and administrative expenses now recognized as amortization expense and a small portion as interest expense.

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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.

Requests for Information

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

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ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Balance Sheets

December 31,	2022	(As Restated) 2021
Assets		
Current assets:		
Cash	\$ 18,400,853	\$ 18,638,374
Receivables		
Affiliates	471,011	755,495
Grants	644,183	863,473
Leases	200,724	209,531
Other	111,376	111,804
Prepaid expenses	89,319	29,547
	<u>19,917,466</u>	<u>20,608,224</u>
Noncurrent assets:		
Leases receivable	443,203	643,927
Capital assets, net (Note 5)	1,166,361	1,422,178
Other assets	506,886	506,886
Restricted cash	9,524,124	8,870,022
	<u>11,640,574</u>	<u>11,443,013</u>
	<u>\$ 31,558,040</u>	<u>\$ 32,051,237</u>
Liabilities and Net Position		
Current liabilities:		
Accounts payable	\$ 37,003	\$ 302,018
Lease payable	126,166	147,483
Accrued expenses	151,856	150,611
Unearned revenue	643,647	872,994
	<u>958,672</u>	<u>1,473,106</u>
Noncurrent liabilities:		
Lease payable	-	140,897
Funds held on behalf of others	9,317,525	8,717,606
	<u>9,317,525</u>	<u>8,858,503</u>
Deferred inflows of resources:		
Deferred inflows of resources related to leases	643,927	853,458
Net position:		
Net investment in capital assets	1,040,195	1,133,798
Restricted	11,331,382	11,434,813
Unrestricted	8,266,339	8,297,559
	<u>20,637,916</u>	<u>20,866,170</u>
	<u>\$ 31,558,040</u>	<u>\$ 32,051,237</u>

See accompanying notes.

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ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Statements of Revenues, Expenses, and Changes in Net Position

For the years ended December 31,	2022	(As Restated) 2021
Operating revenues:		
Administrative fees	\$ 1,656,279	\$ 2,419,283
Affiliate management fees	465,692	419,100
Rental income	308,450	280,076
Other	129,643	126,161
Total operating revenues	<u>2,560,064</u>	<u>3,244,620</u>
Operating expenses:		
Salaries and benefits	1,999,345	1,905,312
General and administrative	687,125	564,443
Depreciation and amortization	258,776	263,932
Other	1,354	1,060
Total operating expenses	<u>2,946,600</u>	<u>2,734,747</u>
Operating income (loss) before special project grants	<u>(386,536)</u>	<u>509,873</u>
Special project grants:		
Revenues	965,710	5,484,283
Expenses	<u>(895,280)</u>	<u>(6,228,502)</u>
	<u>70,430</u>	<u>(744,219)</u>
Operating loss	<u>(316,106)</u>	<u>(234,346)</u>
Nonoperating revenues:		
Investment income	-	2,425
Interest income	102,271	59,683
Interest expense	<u>(14,419)</u>	<u>(22,144)</u>
	<u>87,852</u>	<u>39,964</u>
Change in net position	<u>(228,254)</u>	<u>(194,382)</u>
Net position - beginning	20,866,170	21,097,843
Cumulative effect of a change in accounting principle (Note 2)	-	(37,291)
Net position - beginning as restated	<u>20,866,170</u>	<u>21,060,552</u>
Net position - ending	<u>\$ 20,637,916</u>	<u>\$ 20,866,170</u>

See accompanying notes.

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ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Statements of Cash Flows

	(As Restated)	
For the years ended December 31,	2022	2021
Operating activities:		
Cash from fees and rental income	\$ 1,964,729	\$ 2,714,289
Cash from special project grants	955,653	5,500,302
Cash received from other sources	880,247	366,877
Payments to employees, suppliers, and other	(3,173,580)	(2,395,760)
Payments for special project grants	(895,280)	(6,228,502)
Net operating activities	(268,231)	(42,794)
Capital and related financing activities:		
Purchases of capital assets	(2,959)	(31,305)
Interest payments on leases	(14,419)	(22,144)
Interest received on leases	42,673	52,651
Net capital and related financing activities	25,295	(798)
Investing activities:		
Change in restricted cash, net	(54,183)	2,683
Cash received from equity investments	-	2,425
Interest received	59,598	7,032
Net investing activities	5,415	12,140
Net change in cash	(237,521)	(31,452)
Cash - beginning	18,638,374	18,669,826
Cash - ending	\$ 18,400,853	\$ 18,638,374
Reconciliation of operating loss to net cash flows from operating activities:		
Operating loss	\$ (316,106)	\$ (234,346)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation and amortization	258,776	263,932
Changes in other assets and liabilities:		
Receivables	504,202	(195,429)
Prepaid expenses	(59,772)	16,011
Accounts payable	(265,015)	227,366
Lease payable	(162,214)	(154,489)
Accrued expenses	1,245	(13,833)
Unearned revenue	(229,347)	47,994
Net operating activities	\$ (268,231)	\$ (42,794)

See accompanying notes.

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Notes to Financial Statements

1. Summary of Significant Accounting Policies:

Nature of Organization

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 job retention for businesses and individuals which improves the quality of life for the residents of the region.

Basis of Presentation

The financial statements of ECIDA have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Financial Reporting Entity

In evaluating how to define ECIDA for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in ECIDA's reporting entity is based on accounting standards which consider legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, there are no additional entities included in ECIDA's financial statements.

Measurement Focus

ECIDA reports 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. ECIDA's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred.

ECIDA's policy for defining operating activities in the statements of revenues, expenses, and changes in net position are those that generally result from exchange transactions such as payments received for services and payments made to purchase those goods or services. Certain other transactions are reported as nonoperating activities and include interest income, interest expense, and grants resulting from nonexchange transactions. Grants are recognized as receivable and unearned revenue at the time awarded and as revenue when all eligibility requirements imposed by the provider have been satisfied. ECIDA receives special project grants from various Federal, State, and County sources.

Estimates

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 that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash

Cash management is governed by State laws and as established by ECIDA's written policies. Cash resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Policies permit management to use demand accounts and certificates of deposit for daily operating funds. Invested resources are limited to obligations of the United States Treasury and its Agencies, repurchase agreements, and obligations of the State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral include obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

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Custodial credit risk is the risk that, in the event of a bank failure, ECIDA's deposits may not be returned to it. At December 31, 2022, ECIDA's bank deposits were fully collateralized by FDIC coverage and securities held by the pledging institution's agent in ECIDA's name.

Loans Receivable

Loans receivable are stated at the principal amount outstanding, net of an allowance for uncollectible loans. The allowance method is used to compute the provision for uncollectible loans.

Determination of the balance of the allowance for uncollectible loans 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.

ECIDA previously provided a loan to a manufacturing company that would be forgiven as the company met certain criteria. At December 31, 2022, the entire loan is reserved with the remaining \$400,000 forgivable in \$100,000 installments between 2023 and 2026 as the borrower satisfies the loan requirements.

Capital Assets

Capital assets are recorded at cost. Depreciation is provided over estimated useful lives using the straight-line method. Maintenance and repairs are expensed as incurred; significant improvements are capitalized.

Capitalization thresholds to determine which asset purchases are added to capital accounts and the estimated useful lives of capital assets are:

	Capitalization Policy	Estimated Useful Life in Years
Buildings and improvements	\$ 1,000	5 - 40
Furniture and equipment	\$ 1,000	3 - 10

Rental Property:

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. Port Terminal Facility rental property assets are fully depreciated. ECIDA receives a percentage of annual Excess Cash Flow, as defined, from the operations at the Port Terminal Facility.

ECIDA also owns its former office space at 143 Genesee Street. This property is recorded at cost and leased to a third party (Note 7).

Other Assets

Other assets include venture capital investments made by ECIDA in order to spur local economic growth. Venture capital investments are recorded at the lesser of cost or fair market value as determined by management's estimates based on available financial information.

Net Position

Net position consists of the following components:

- *Net investment in capital assets* – consists of capital assets, net of accumulated depreciation, reduced by outstanding balances of any related debt obligations attributable to the acquisition, construction, or improvement of those assets.
- *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 the U.S. Department of Housing and Urban Development's UDAG program.
- *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.

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.

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ECIDA is an issuer of tax-exempt bond financing for qualified manufacturers and low-income housing projects which meets the definition of conduit debt obligations. These bonds are obligations of the borrower and secured by the assets they finance. ECIDA receives bond issuance fees from the borrower for providing this service which is recognized according to the terms of the fee agreement. 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. At December 31, 2022, previously issued bonds have an aggregate outstanding balance of \$540,645,622, none of which is recognized as a liability of ECIDA.

ECIDA received \$105,000 in administrative fees from ILDC in 2022. There were no administrative fees transferred in 2021.

2. Change in Accounting Principle:

Effective January 1, 2021, the earliest period presented, ECIDA adopted GASB Statement No. 87, *Leases*. This Statement 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 asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The impact of this Statement on ECIDA's balance sheet at January 1, 2021 is as follows:

Net position, January 1, 2021	\$ 21,097,843
Lease receivable	1,053,011
Right-to-use lease asset	737,415
Accumulated amortization	(331,837)
Lease liability	(442,869)
Deferred inflow of resources	(1,053,011)
Net position, as restated, January 1, 2021	\$ 21,060,552

3. Special Project Grants:

Bethlehem Shoreline Enhancement – 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.

Bethlehem Water and Sewer Design – 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.

National Grid – Zero Net Energy Building – ECIDA received an Economic Development Program grant from National Grid in the amount of \$125,000 in January 2017. Revenue was recognized during 2022 upon completion of the grant requirements.

U.S. Economic Development Administration (EDA) – Comprehensive Economic Development Strategy – ECIDA received a grant from the EDA in the amount of up to \$50,000 in October 2021 to support the Comprehensive Economic Development Strategy recovery plan implementation.

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

	2022	2021
Bethlehem Shoreline Enhancement	\$ 92,119	\$ 92,119
Bethlehem Water and Sewer Design	545,566	589,856
Buffalo Southern Railroad - 2017 PFRAP Rail Improvement	140	140
Sumitomo Dunlop Rail - PFRAP	6,358	6,358
National Grid - Zero Net Energy	-	125,000
EDA - Comprehensive Economic Development Strategy	-	50,000
	<u>\$ 644,183</u>	<u>\$ 863,473</u>

The following is a summary of unearned revenue at December 31:

	2022	2021
Bethlehem Shoreline Enhancement	\$ 108,152	\$ 122,373
Bethlehem Water and Sewer Design	535,495	575,621
National Grid - Zero Net Energy	-	125,000
EDA - Comprehensive Economic Development Strategy	-	50,000
	<u>\$ 643,647</u>	<u>\$ 872,994</u>

4. Funds Held on Behalf of Others:

ECIDA holds cash for various development activities. ECIDA disburses these funds when given the appropriate authorization. The funds include:

	2022	2021
Erie County Regional Redevelopment Fund	\$ 1,820,634	\$ 1,846,057
Buffalo Brownfields Redevelopment Fund	452,106	561,316
Jemal's Seneca Fund	427,340	348,142
Seneca Street Corridor Fund	2,387,879	2,304,585
Main Street Improvement Fund	4,229,566	3,657,506
	<u>\$ 9,317,525</u>	<u>\$ 8,717,606</u>

Restricted cash also includes \$206,599 and \$152,416 as of December 31, 2022 and 2021, respectively, for the Railway Trust Fund for activities related to two Erie County shortline railroads.

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5. Capital Assets:

	Balance January 1, 2022	Increases	Retirements/ Reclassifications	Balance December 31, 2022
Land	\$ 167,400	\$ -	\$ -	\$ 167,400
Depreciable capital assets:				
Land improvements	1,106,386	2,959	-	1,109,345
Buildings	2,747,489	-	-	2,747,489
Furniture and equipment	470,145	-	-	470,145
Total depreciable assets	<u>4,324,020</u>	<u>2,959</u>	<u>-</u>	<u>4,326,979</u>
Less accumulated depreciation:				
Land improvements	879,876	54,824	-	934,700
Buildings	2,026,464	36,043	-	2,062,507
Furniture and equipment	420,997	20,426	-	441,423
Total accumulated depreciation	<u>3,327,337</u>	<u>111,293</u>	<u>-</u>	<u>3,438,630</u>
Total depreciable assets, net	<u>996,683</u>	<u>(108,334)</u>	<u>-</u>	<u>888,349</u>
Right-to-use lease assets:				
Building	737,415	-	-	737,415
Less accumulated amortization	479,320	147,483	-	626,803
Total right-to-use assets, net	<u>258,095</u>	<u>147,483</u>	<u>-</u>	<u>110,612</u>
	<u>\$ 1,422,178</u>	<u>\$ (255,817)</u>	<u>\$ -</u>	<u>\$ 1,166,361</u>
	Balance January 1, 2021	Increases	Retirements/ Reclassifications	Balance December 31, 2021
Land	\$ 167,400	\$ -	\$ -	\$ 167,400
Depreciable capital assets:				
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 depreciable assets	<u>4,325,411</u>	<u>31,305</u>	<u>(32,696)</u>	<u>4,324,020</u>
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	<u>3,243,584</u>	<u>116,449</u>	<u>(32,696)</u>	<u>3,327,337</u>
Total depreciable assets, net	<u>1,081,827</u>	<u>(85,144)</u>	<u>-</u>	<u>996,683</u>
Right-to-use lease assets:				
Building	737,415	-	-	737,415
Less accumulated amortization	331,837	147,483	-	479,320
Total right-to-use assets, net	<u>405,578</u>	<u>147,483</u>	<u>-</u>	<u>258,095</u>
	<u>\$ 1,654,805</u>	<u>\$ (232,627)</u>	<u>\$ -</u>	<u>\$ 1,422,178</u>

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6. Related Party Transactions:

Affiliate Management Fees

ECIDA allocates a portion of personnel and rental costs to its affiliates, RDC and ILDC. ECIDA earned \$465,692 and \$419,100 in affiliate management fees for the years ended December 31, 2022 and 2021. Management fees and related receivables by affiliate are as follows:

	Management Fees		Receivables	
	2022	2021	2022	2021
RDC	\$ 288,468	\$ 294,566	\$ 291,289	\$ 297,384
ILDC	177,224	124,534	179,722	458,111
	<u>\$ 465,692</u>	<u>\$ 419,100</u>	<u>\$ 471,011</u>	<u>\$ 755,495</u>

In 2022, Erie County provided \$385,000 to ECIDA as a subrecipient of Community Development Block Grant funds. These funds were then transferred to ILDC for its Erie County BDF loan program. These amounts are included in special project grant revenues and expenses in the accompanying 2022 statement of revenues, expenses, and changes in net position.

7. Leases:

ECIDA, as lessee, entered into a non-cancelable lease for office space through September 30, 2023 and recognized a right-to-use lease asset at the present value of \$737,415 using a discount rate of 5%. The lease requires annual minimum payments of \$176,633 and utility charges that are determined on an annual basis. Principal and interest due in 2023 total \$126,166 and \$6,308, respectively.

ECIDA entered into a sublease agreement with Buffalo Urban Development Corporation for a portion of their office space through September 30, 2023. ECIDA recognized \$23,153 and \$23,338 in gross rental income, including interest at 5.0%, in 2022 and 2021. Expected receipts in 2023 total \$16,011.

ECIDA, as lessor, has entered into a non-cancelable lease for its former office through July 31, 2027. ECIDA recognized \$220,386 and \$213,681 in gross rental income, including interest at 5.0%, in 2022 and 2021. Annual receipts are expected to total \$230,856 through 2025.

8. 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 2022 and 2021, ECIDA made discretionary contributions of 12% of eligible employees' salaries. ECIDA's expense for contributing to the plan for the years ended December 31, 2022 and 2021 amounted to \$162,663 and \$157,973 respectively. Employees are also permitted to participate in the New York State Deferred Compensation Plan but ECIDA does not make contributions to this plan.

9. Risk Management:

ECIDA purchases commercial insurance for various risks of loss due to torts, theft, damage, injuries to employees, and natural disasters in addition to insurance purchased to indemnify directors and officers. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

10. Commitments and Contingencies:

Grants

ECIDA receives financial assistance from federal, state, and local agencies in the form of grants and fiduciary agreements. Managing these funds generally requires compliance with the terms and conditions specified in the agreements and may be subject to audit by the grantor agencies. Disallowed claims resulting from such audits could become a liability of ECIDA. Based on prior experience, management expects any such amounts to be immaterial.

Litigation

ECIDA is subject to claims and lawsuits that arise in the ordinary course of business. In the opinion of management, these claims and lawsuits will not have a material adverse effect upon the financial position of ECIDA.

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ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Supplementary Information Combining Schedule of Balance Sheets

December 31, 2022

	General Account	UDAG Account	Total
Assets			
Current assets:			
Cash	\$ 7,475,718	\$ 10,925,135	\$ 18,400,853
Receivables			
Affiliates	471,011	-	471,011
Grants	644,183	-	644,183
Leases	200,724	-	200,724
Other	111,376	-	111,376
Prepaid expenses	89,319	-	89,319
	<u>8,992,331</u>	<u>10,925,135</u>	<u>19,917,466</u>
Noncurrent assets:			
Leases receivable	443,203	-	443,203
Capital assets, net	1,166,361	-	1,166,361
Other assets	100,639	406,247	506,886
Restricted cash	9,524,124	-	9,524,124
	<u>11,234,327</u>	<u>406,247</u>	<u>11,640,574</u>
	<u>\$ 20,226,658</u>	<u>\$ 11,331,382</u>	<u>\$ 31,558,040</u>
Liabilities and Net Position			
Current liabilities:			
Accounts payable	\$ 37,003	\$ -	\$ 37,003
Lease payable	126,166	-	126,166
Accrued expenses	151,856	-	151,856
Unearned revenue	643,647	-	643,647
	<u>958,672</u>	<u>-</u>	<u>958,672</u>
Noncurrent liabilities:			
Funds held on behalf of others	9,317,525	-	9,317,525
Deferred inflows of resources:			
Deferred inflows of resources related to leases	643,927	-	643,927
Net position:			
Net investment in capital assets	1,040,195	-	1,040,195
Restricted	-	11,331,382	11,331,382
Unrestricted	8,266,339	-	8,266,339
	<u>9,306,534</u>	<u>11,331,382</u>	<u>20,637,916</u>
	<u>\$ 20,226,658</u>	<u>\$ 11,331,382</u>	<u>\$ 31,558,040</u>

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ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Supplementary Information Combining Schedule of Revenues, Expenses, and Changes in Net Position

For the year ended December 31, 2022

	General Account	UDAG Account	Total
Operating revenues:			
Administrative fees	\$ 1,656,279	\$ -	\$ 1,656,279
Affiliate management fees and rental income	465,692	-	465,692
Rental income	308,450	-	308,450
Other	129,643	-	129,643
Total operating revenues	2,560,064	-	2,560,064
Operating expenses:			
Salaries and benefits	1,999,345	-	1,999,345
General and administrative	631,269	55,856	687,125
Depreciation and amortization	258,776	-	258,776
Other	1,354	-	1,354
Total operating expenses	2,890,744	55,856	2,946,600
Operating loss before special project grants	(330,680)	(55,856)	(386,536)
Special project grants:			
Revenues	816,898	148,812	965,710
Expenses	(663,042)	(232,238)	(895,280)
	153,856	(83,426)	70,430
Operating loss	(176,824)	(139,282)	(316,106)
Nonoperating revenues:			
Interest income	66,420	35,851	102,271
Interest expense	(14,419)	-	(14,419)
	52,001	35,851	87,852
Change in net position	(124,823)	(103,431)	(228,254)
Net position - beginning	9,431,357	11,434,813	20,866,170
Net position - ending	\$ 9,306,534	\$ 11,331,382	\$ 20,637,916

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INDEPENDENT AUDITORS' 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*

The Board of Directors
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 balance sheet of Erie County Industrial Development Agency (ECIDA), a business-type activity, as of December 31, 2022, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise ECIDA's basic financial statements, and have issued our report thereon dated March 16, 2023.

Report on 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 on 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 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. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Report on 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*.

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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.

March 16, 2023

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SECTION 2925(3)(f) OF THE NEW YORK STATE PUBLIC AUTHORITIES LAW

The Board of Directors
Erie County Industrial Development Agency

We have audited, in accordance with auditing standards generally accepted in the United States of America, the balance sheet of Erie County Industrial Development Agency (ECIDA), a business-type activity, as of December 31, 2022, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and we have issued our report thereon dated March 16, 2023.

In connection with our audit, nothing came to our attention that caused us to believe that ECIDA failed to comply with §2925(3)(f) of the New York State Public Authorities Law regarding investment guidelines during the year ended December 31, 2022. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding ECIDA's noncompliance with the above rules and regulations.

The purpose of this report is solely to describe the scope and results of our testing. This communication is not suitable for any other purpose.

March 16, 2023

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**BUFFALO AND ERIE COUNTY REGIONAL
DEVELOPMENT CORPORATION**

SINGLE AUDIT REPORTING PACKAGE

DECEMBER 31, 2022

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BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Buffalo and Erie County Regional
Development Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Buffalo and Erie County Regional Development Corporation (RDC), a business-type activity, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise RDC's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of RDC as of December 31, 2022, and the changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of RDC, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

2021 Financial Statements

The financial statements of RDC as of and for the year ended December 31, 2021 were audited by another auditor who expressed an unmodified opinion on those statements on March 24, 2022.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about RDC's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of RDC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about RDC's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that comprise RDC's basic financial statements. The accompanying supplementary information as listed in the table of contents, including the schedule of expenditures of federal awards required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2023 on our consideration of RDC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering RDC's internal control over financial reporting and compliance.

March 16, 2023

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BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION

Management's Discussion and Analysis (Unaudited)

December 31, 2022

Buffalo and 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 RDC's RLFs. A Loan Administration Plan (LAP) that outlines RDC's lending processes and goals is approved by EDA every five years. The EDA released its federal interest in RDC's Legacy (original) RLF during 2021. In 2020, 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.

As a 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, 2022, 2021, and 2020. We encourage readers to consider the information presented here in conjunction with RDC's audited financial statements.

Basic Overview of the Financial Statements

Included in this report are the following financial statements:

- 1) Balance Sheets – The balance sheets 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 – These statements report RDC's operating and nonoperating revenues by major sources 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 – These statements report RDC's cash flows from operating, capital and related financing, and investing activities.

Financial Highlights

- RDC's total net position increased slightly from \$21,753,000 in 2021 to \$22,175,000 in 2022.
- RDC experienced an increase in net position of \$422,000 in 2022 compared to an increase of \$4,738,000 in 2021.
- Operating revenues increased 24% from \$447,000 in 2021 to \$555,000 in 2022.
- Operating expenses decreased 70% from \$823,000 in 2021 to \$243,000 in 2022.

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Condensed Comparative Financial Statements:

Balance Sheets at December 31:

<i>in thousands</i>	2022	2021	\$ Change	% Change	2020
Assets					
Cash	\$ 5,461	\$ 7,790	\$ (2,329)	(30%)	\$ 6,543
Accounts and grants receivable	-	10	(10)	(100%)	11
Loans receivable, net	17,104	14,250	2,854	20%	10,758
Total assets	\$ 22,565	\$ 22,050	\$ 515	2%	\$ 17,312
Liabilities					
Accounts payable	\$ 2	\$ -	\$ 2	100%	\$ 3
Due to affiliate	291	297	(6)	(2%)	294
Unearned revenue	97	-	97	100%	-
Total liabilities	390	297	93	31%	297
Net position					
Restricted	22,175	21,753	422	2%	17,015
Total liabilities and net position	\$ 22,565	\$ 22,050	\$ 515	2%	\$ 17,312

RDC's cash balance decreased 30% or \$2,329,000 primarily due to loan disbursements in 2022. The cash increase from \$6,543,000 in 2020 to \$7,790,000 in 2021 was a result of loan repayments.

Loans receivable relate to the RLFs operated by RDC, net of an allowance. Loans receivable increased \$2,854,000 or 20% from 2021 to 2022, due to loans awarded during 2022. The increase in loans receivable from \$10,758,000 in 2020 to \$14,250,000 in 2021 was also a result of new loans. Most of the loans closed in 2021 were funded by new capital into the RLF through the CARES Act sub-grant award.

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 \$6,000 decrease in due to affiliate from 2021 to 2022 reflects a decrease in hours spent on RDC activities by ECIDA employees. The increase in amounts due to affiliate from \$294,000 in 2020 to \$297,000 in 2021 reflected increased hourly rates of ECIDA employees.

Unearned revenue reflects a portion of the CARES Act sub-grant funds received that were not spent as of the end of the year.

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Statements of Revenues, Expenses, and Changes in Net Position for the years ended December 31:

<i>in thousands</i>	2022	2021	\$ Change	% Change	2020
Operating revenue:					
Interest from loans	\$ 536	\$ 447	\$ 89	20%	\$ 375
Loan commitment fees	19	-	19	100%	13
Total revenue	555	447	108	24%	388
Operating expenses:					
General and administrative	\$ 331	\$ 405	\$ (74)	(18%)	\$ 450
Loan loss expense, net of recoveries	(88)	418	(506)	(121%)	91
Total operating expenses	243	823	(580)	(70%)	541
Operating income (loss)	312	(376)	688	(183%)	(153)
Nonoperating revenue					
Interest income	13	3	10	333%	15
Grant contributions	97	5,111	(5,014)	(98%)	111
Total nonoperating revenue	110	5,114	(5,004)	(98%)	126
Change in net position	\$ 422	\$ 4,738	\$ (4,316)	(91%)	\$ (27)

Revenue Analysis

Interest from loans is collected from borrowers in accordance with the terms of each promissory note. RDC loans bear interest at rates ranging from 1.0% to 5.5%, in accordance with the Loan Administration Plan provisions in effect at the time the loan is approved. Interest from loans increased \$89,000, or 20%, from 2021 to 2022 because of the increase in loans receivable. Interest increased from \$375,000 in 2020 to \$447,000 in 2021 due to the expiration of deferral periods approved in 2020.

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 2022 there were six loans closed and each was greater than \$100,000. In 2021, commitment fees were waived as a result of the COVID-19 pandemic.

Expense Analysis

In 2022, general and administrative expenses decreased \$74,000 from \$405,000 to \$331,000. The decrease in general and administrative expenses is attributable mainly to costs associated with the CARES Act RLF. In 2021, RDC spent \$56,000 on temporary labor and a consultant to assist with the increased underwriting related to the CARES Act RLF, as well as \$14,000 of marketing costs. After the initial \$5,000,000 of loan funds were exhausted, activity related to that RLF decreased. General and administrative expenses decreased \$45,000 from 2020 to 2021 primarily due to additional legal expenses incurred in 2020 related to delinquent loans.

Loan loss expense, net of recoveries consists of the amount of loan loss expense in a year, net of any recoveries during that same year of previously written off loans. In 2022, loan loss expense was \$4,000, net of reductions in the allowance of \$92,000. Two loans that were part of the reserve in 2021 were paid off in 2022, and the reserve on a third loan was removed due to a satisfactory payment history. In 2021 loan loss expense was \$418,000 due to \$474,000 of reserves established for CARES Act RLF loans, net of \$56,000 of loan recoveries. No loans written off in 2022 or 2021.

Grant contributions relate directly to amounts granted from ECIDA under the CARES Act RLF. The RLF was established in 2020 when \$111,000 of costs were incurred. In 2022 there was \$97,000 related to loans and administrative costs, compared to \$5,111,000 in 2021.

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Budget to Actual Analysis for the year ended December 31, 2022:

RDC prepares an annual budget which was presented and approved by the Board of Directors on October 27, 2021. The following table presents an analysis of RDC's performance compared to the approved 2022 budget.

<i>in thousands</i>	Actual	Budget	\$ Variance	% Variance
Operating revenue:				
Interest from loans	\$ 536	\$ 565	\$ (29)	(5%)
Loan commitment fees	19	15	4	100%
Total revenue	555	580	(25)	(4%)
Operating expenses:				
General and administrative	\$ 331	\$ 415	\$ (84)	(20%)
Loan loss expense, net of recoveries	(88)	245	(333)	(136%)
Total operating expenses	243	660	(417)	(63%)
Operating income (loss)	312	(80)	392	(490%)
Nonoperating revenue				
Interest income	13	-	13	100%
Grant contributions	97	103	(6)	(6%)
Total nonoperating revenue	110	103	7	7%
Change in net position	\$ 422	\$ 23	\$ 399	1,735%

Overall, RDC exceeded its budgeted increase in net position for 2022 by \$399,000. Total operating revenue was \$25,000, or 4%, below budget due to lower than anticipated interest income from loans in 2022. Total expenses were \$417,000, or 63%, below budget. This was due mainly to the payoff of loans that had been previously included in the reserve for loan losses.

Economic Factors Impacting RDC

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

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.

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BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION

Balance Sheets

December 31,	2022	2021
Assets		
Current assets:		
Cash	\$ 5,460,730	\$ 7,790,415
Accounts and grants receivable	-	10,168
Loans receivable (Note 2)	3,056,101	1,415,466
	<u>8,516,831</u>	<u>9,216,049</u>
Noncurrent assets:		
Loans receivable, net (Note 2)	<u>14,047,965</u>	<u>12,834,682</u>
	<u>\$ 22,564,796</u>	<u>\$ 22,050,731</u>
Liabilities and Net Position		
Current liabilities:		
Accounts payable	\$ 1,516	\$ 133
Due to affiliate (Note 3)	291,289	297,384
Unearned revenue	97,105	-
	<u>389,910</u>	<u>297,517</u>
Net position:		
Restricted	<u>22,174,886</u>	<u>21,753,214</u>
	<u>\$ 22,564,796</u>	<u>\$ 22,050,731</u>

See accompanying notes.

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BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION

Statements of Revenues, Expenses, and Changes in Net Position

For the years ended December 31,	2022	2021
Operating revenues:		
Interest from loans	\$ 536,412	\$ 447,255
Loan commitment fees	18,625	-
Total operating revenues	<u>555,037</u>	<u>447,255</u>
Operating expenses:		
General and administrative	331,379	405,359
Provision for uncollectible loans (recoveries), net	(88,495)	417,627
Total operating expenses	<u>242,884</u>	<u>822,986</u>
Operating income (loss)	<u>312,153</u>	<u>(375,731)</u>
Nonoperating revenues:		
Interest income	12,974	2,586
Grant contributions	96,545	5,111,029
Total nonoperating revenues	<u>109,519</u>	<u>5,113,615</u>
Change in net position	421,672	4,737,884
Net position - beginning	<u>21,753,214</u>	<u>17,015,330</u>
Net position - ending	<u>\$ 22,174,886</u>	<u>\$ 21,753,214</u>

See accompanying notes.

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BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION

Statements of Cash Flows

For the years ended December 31,	2022	2021
Operating activities:		
Payments collected on loans receivable	\$ 2,047,009	\$ 2,018,149
Loan interest and fees	555,037	447,255
Loans awarded	(4,814,910)	(5,940,090)
Payments to vendors and affiliates	(330,762)	(409,468)
Bad debt recoveries	2,478	11,863
Net operating activities	(2,541,148)	(3,872,291)
Capital and related financing activities:		
Grant contributions	198,489	5,117,205
Investing activities:		
Interest income	12,974	2,586
Change in cash	(2,329,685)	1,247,500
Cash - beginning	7,790,415	6,542,915
Cash - ending	\$ 5,460,730	\$ 7,790,415
Reconciliation of operating income (loss) to net cash flows from operating activities:		
Operating income (loss)	\$ 312,153	\$ (375,731)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities		
Provision for uncollectible loans	(86,017)	429,490
Changes in other assets and liabilities:		
Accounts and grants receivable	5,329	(5,329)
Loans receivable	(2,767,901)	(3,921,941)
Accounts payable	1,383	(2,526)
Due to affiliate	(6,095)	3,746
	\$ (2,541,148)	\$ (3,872,291)

See accompanying notes.

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BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION

Notes to Financial Statements

1. Summary of Significant Accounting Policies:

Nature of Organization

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 agreements or established loan administration plans approved by the grantor governing the management of the revolving loan program.

RDC has related party relationships with 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 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, RDC is not considered a component unit of another entity.

Basis of Presentation

The financial statements of RDC have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Measurement Focus

RDC reports 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. RDC's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

RDC's policy for defining operating activities in the statements of revenues, expenses, and changes in net position are those that generally result from exchange transactions such as payments received for services, including interest earned on revolving loan funds, and payments made to purchase those goods or services. Certain other transactions are reported as nonoperating activities and include RDC's interest income from deposits and grants resulting from nonexchange transactions. Grants are recognized as revenue when all eligibility requirements imposed by the provider have been satisfied.

Estimates

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 that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash

Cash management is governed by New York State (the State) laws and as established by RDC's written policies. Cash resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Management is authorized to use 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 or its localities.

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Collateral is required for demand and time deposits and certificates of deposit not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral include obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

Custodial credit risk is the risk that, in the event of a bank failure, RDC's deposits may not be returned to it. At December 31, 2022, RDC's bank deposits were fully collateralized by FDIC coverage and securities held by the pledging bank's agent in RDC's name.

Loans Receivable

Loans receivable are stated at the principal amount outstanding, net of an allowance for uncollectible loans. The allowance method is used to compute the provision for uncollectible loans.

Determination of the balance of the allowance for uncollectible loans 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. Interest accrual stops when management adjusts a loan reserve to 50% or more of the loan's outstanding balance.

Net Position

Net position may consist of two components:

- **Restricted** – consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets whose use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws.
- **Unrestricted** – the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the restricted component of net position and therefore are available for general use.

Income Taxes

Although the financial statements are required to be reported as a governmental entity, RDC is a 501(c)(3) not-for-profit organization for income tax purposes and is exempt from income taxes under §501(a) of the Internal Revenue Code.

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. The EDA released its federal interest in the legacy RLF as of September 30, 2021 through the Reinvigorating Lending for the Future Act, due to the RFL operating satisfactorily for at least seven years beyond the disbursement of grant funds.

During 2020, RDC was awarded an EDA grant (passed through ECIDA) totaling \$5,415,694 as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act to establish the CARES Act revolving loan fund to assist the region in response to the COVID-19 pandemic. Loan terms include one year interest-free, one year of interest-only payments, and then principal payments begin in the third year. In 2022, RDC received the remaining grant funds of \$198,489, of which \$97,105 is included in unearned revenue on the accompanying balance sheet.

Loans awarded to local businesses bear interest at rates ranging from 1% to 5.5% with varying repayment terms. The following is a summary of loans receivable:

	2022	2021
Current status	\$ 17,628,952	\$ 14,861,051
Less allowance	524,886	610,903
	17,104,066	14,250,148
Less current portion	3,056,101	1,415,466
	\$ 14,047,965	\$ 12,834,682

Following is a summary of the activity in the allowance for uncollectible loans:

	2022	2021
Balance, beginning of year	\$ 610,903	\$ 181,412
Additions charged to operations	4,415	441,354
Reduction in allowance	(90,432)	(11,863)
	\$ 524,886	\$ 610,903

Scheduled maturities for the next five years and thereafter are as follows:

	Principal	Interest
2023	\$ 3,001,246	\$ 549,088
2024	2,935,157	436,838
2025	2,886,235	344,534
2026	2,857,431	254,981
2027	2,445,665	171,219
Thereafter	3,442,228	213,923
	\$ 17,567,962	\$ 1,970,583

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This schedule does not include variable interest rate loans that are administered by various financial institutions. The total outstanding balance of those loans is \$60,990 at December 31, 2022 with a current portion of \$54,855.

3. Related Party Transactions:

ECIDA allocates a portion of its personnel and overhead costs to RDC based on a cost allocation plan. Costs allocated by ECIDA amounted to \$288,468 and \$294,567 for the years ended December 31, 2022 and 2021. Amounts owed to ECIDA at December 31, 2022 and 2021 totaled \$291,289 and \$297,384, respectively.

4. Contingencies:

Grants

RDC receives financial assistance from government agencies in the form of grants. The expenditure of grant funds generally requires compliance with the terms and conditions specified in the agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of RDC. Based on prior experience, management expects such amounts, if any, to be immaterial.

5. Commitments:

Outstanding loan commitments approved but not yet paid total \$2,850,000 at December 31, 2022.

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BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION

Supplementary Information Combining Schedule of Balance Sheets

December 31, 2022

	Legacy Account	CARES Act Account	Total
Assets			
Current assets:			
Cash	\$ 5,105,295	\$ 355,435	\$ 5,460,730
Loans receivable	2,523,530	532,571	3,056,101
	<u>7,628,825</u>	<u>888,006</u>	<u>8,516,831</u>
Noncurrent assets:			
Loans receivable, net	10,202,675	3,845,290	14,047,965
	<u>\$ 17,831,500</u>	<u>\$ 4,733,296</u>	<u>\$ 22,564,796</u>
Liabilities and Net Position			
Current liabilities:			
Accounts payable	\$ 1,176	\$ 340	\$ 1,516
Due to affiliate	210,753	80,536	291,289
Unearned revenue	-	97,105	97,105
	<u>211,929</u>	<u>177,981</u>	<u>389,910</u>
Net position:			
Restricted	17,619,571	4,555,315	22,174,886
	<u>\$ 17,831,500</u>	<u>\$ 4,733,296</u>	<u>\$ 22,564,796</u>

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BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION

Supplementary Information Combining Schedule of Revenues, Expenses, and Changes in Net Position

For the year ended December 31, 2022

	Legacy Account	CARES Act Account	Total
Operating revenues:			
Interest from loans	\$ 507,419	\$ 28,993	\$ 536,412
Loan commitment fees	18,625	-	18,625
Total operating revenues	526,044	28,993	555,037
Operating expenses:			
General and administrative	234,834	96,545	331,379
Provision for uncollectible loans (recoveries), net	(88,495)	-	(88,495)
Total operating expenses	146,339	96,545	242,884
Operating income (loss)	379,705	(67,552)	312,153
Nonoperating revenues:			
Interest income	12,744	230	12,974
Grant contributions	-	96,545	96,545
Total nonoperating revenues	12,744	96,775	109,519
Change in net position	392,449	29,223	421,672
Net position - beginning	17,227,122	4,526,092	21,753,214
Net position - ending	\$ 17,619,571	\$ 4,555,315	\$ 22,174,886

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BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION

Supplementary Information Schedule of Expenditures of Federal Awards

For the year ended December 31, 2022

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Grant Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Commerce:</u>			
Passed through Erie County Industrial Development Agency			
COVID-19 - Economic Adjustment Assistance	11.307	01-79-15022	\$ 5,303,841

See accompanying notes.

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BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION

Notes to Schedule of Expenditures of Federal Awards

1. Summary of Significant Accounting Policies:

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) presents the activity of all federal award programs administered by Buffalo and Erie County Regional Development Corporation (RDC), an entity as defined in Note 1 to RDC's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through from other governmental agencies, are included on the SEFA.

Expenditures are calculated as required by the Uniform Guidance or the applicable program and do not constitute actual program disbursements. All expenditures reported on the SEFA represent revolving loan programs.

The Economic Adjustment Assistance – CARES Act program, administered by the EDA, specifically requires the amount on the SEFA to be calculated as follows:

Cash	\$ 355,435
Balance of loans outstanding	4,851,861
Administrative expenses	96,545
Loan write-offs	-
	<u>5,303,841</u>
Total EDA Share	100%
	<u>\$ 5,303,841</u>

Basis of Accounting

RDC uses the accrual basis of accounting for each federal program, consistent with the financial statements.

The amounts reported as federal expenditures generally were obtained from the appropriate federal financial reports for the applicable programs and periods. The amounts reported in these federal financial reports are prepared from records maintained for each program, which are periodically reconciled with RDC's financial reporting system.

Indirect Costs

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

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INDEPENDENT AUDITORS' 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*

The Board of Directors
Buffalo and Erie County Regional
Development Corporation

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 balance sheet of Buffalo and Erie County Regional Development Corporation (RDC), a business-type activity, as of December 31, 2022, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise RDC's basic financial statements, and have issued our report thereon dated March 16, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether RDC'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*.

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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 RDC's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering RDC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

March 16, 2023

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Board of Directors
Buffalo and Erie County Regional
Development Corporation

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Buffalo and Erie County Regional Development Corporation's (RDC), a business-type activity, compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of RDC's major federal programs for the year ended December 31, 2022. RDC's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, RDC complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit 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). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report. We are required to be independent of RDC and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of RDC's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to RDC's federal programs.

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Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on RDC's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about RDC's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding RDC's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of RDC's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of RDC's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

March 16, 2023

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BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION

Schedule of Findings and Questioned Costs

For the year ended December 31, 2022

Section I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None reported

Type of auditors' report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? No

Identification of major programs:

Name of Federal Program of Cluster	Assistance Listing Number	Amount
COVID-19 - Economic Adjustment Assistance	11.307	<u>\$ 5,303,841</u>

Dollar threshold used to distinguish between type A and type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes

Section II. Financial Statement Findings

No matters were reported.

Section III. Federal Award Findings and Questioned Costs

No matters were reported.

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SECTION 2925(3)(f) OF THE NEW YORK STATE PUBLIC AUTHORITIES LAW

The Board of Directors
Buffalo and Erie County Regional
Development Corporation

We have audited, in accordance with auditing standards generally accepted in the United States of America, the balance sheet of Buffalo and Erie County Regional Development Corporation (RDC), a business-type activity, as of December 31, 2022, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and we have issued our report thereon dated March 16, 2023.

In connection with our audit, nothing came to our attention that caused us to believe that RDC failed to comply with §2925(3)(f) of the New York State Public Authorities Law regarding investment guidelines during the year ended December 31, 2022. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding RDC's noncompliance with the above rules and regulations.

The purpose of this report is solely to describe the scope and results of our testing. This communication is not suitable for any other purpose.

March 16, 2023

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**BUFFALO AND ERIE COUNTY INDUSTRIAL
LAND DEVELOPMENT CORPORATION
(A Component Unit of County of Erie, New York)**

FINANCIAL STATEMENTS

DECEMBER 31, 2022

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BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION
(A Component Unit of County of Erie, New York)

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Independent Auditors' 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 Auditors' Report on Compliance with Section 2925(3)(f) of the New York State Public Authorities Law

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Buffalo and Erie County Industrial
Land Development Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Buffalo and Erie County Industrial Land Development Corporation (ILDC), a business-type activity and a component unit of the County of Erie, New York, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise ILDC's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of ILDC as of December 31, 2022, and the changes in its financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of ILDC, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

2021 Financial Statements

The financial statements of ILDC as of and for the year ended December 31, 2021 were audited by another auditor who expressed an unmodified opinion on those statements on March 24, 2022.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with GAAP and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about ILDC's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of ILDC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ILDC's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise ILDC's basic financial statements. The accompanying supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 16, 2023 on our consideration of ILDC's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering ILDC's internal control over financial reporting and compliance.

March 16, 2023

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BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION (A Component Unit of County of Erie, New York)

Management's Discussion and Analysis (Unaudited)

December 31, 2022

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

As 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 ILDC as of and for the years ended December 31, 2022, 2021, and 2020. We encourage readers to consider the information presented here in conjunction with ILDC's audited financial statements.

In 2022 the ILDC continued to move forward in developing Renaissance Commerce Park in Lackawanna, New York, and the former Angola Airport site in Evans, New York. ILDC constructed a new road and began work on new water and sewer lines at Renaissance Commerce Park and continued the Master Planning/GEIS process in Evans. Erie County continued to adjust the Microenterprise Loan/Grant Program in response to the COVID-19 pandemic and additional funding.

Basic Overview of the Financial Statements

Included in this report are the following financial statements:

- 1) Balance Sheets – The balance sheets 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 – These statements report 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 – These statements report ILDC's cash flows from operating, capital and related financing, and investing activities, if any.

Financial Highlights

- ILDC's total net position decreased by 7% from \$7,863,000 in 2021 to \$7,350,000 in 2022.
- ILDC experienced a decrease in net position of \$513,000 in 2022 compared to an increase of \$820,000 in 2021.
- Operating revenues increased 117% from (\$133,000) in 2021 to \$23,000 in 2022.
- Operating expenses increased 120% from \$435,000 in 2021 to \$957,000 in 2022.

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Condensed Comparative Financial Statements:

Balance Sheets at December 31:

<i>in thousands</i>	2022	2021	\$ Change	% Change	2020
Assets					
Cash	\$ 1,265	\$ 2,037	\$ (772)	(38%)	\$ 1,945
Grants receivable	10,212	7,653	2,559	33%	514
Loans receivable, net	550	667	(117)	(18%)	36
Other assets	32	1	31	3,100%	2
Land held for sale	6,867	7,233	(366)	(5%)	6,900
Total assets	\$ 18,926	\$ 17,591	\$ 1,335	8%	\$ 9,397
Liabilities					
Accounts payable	\$ 824	\$ 23	\$ 801	3,483%	\$ 33
Due to affiliate	180	458	(278)	(61%)	283
Unearned revenue	10,572	9,247	1,325	14%	2,038
Total liabilities	11,576	9,728	1,848	19%	2,354
Net position					
Restricted	608	652	(44)	(7%)	206
Unrestricted	6,742	7,211	(469)	(7%)	6,837
Total net position	7,350	7,863	(513)	(7%)	7,043
Total liabilities and net position	\$ 18,926	\$ 17,591	\$ 1,335	8%	\$ 9,397

ILDC's cash balance decreased 38% or \$772,000 in 2022, compared to an increase of 5% or \$92,000 in 2021. The 2022 decrease was primarily due to the use of cash for land development activity.

Grants receivable increased 33% or \$2,559,000 due to grant awards from the U.S. Department of Commerce Economic Development Administration (EDA) of \$2,680,000, Empire State Development (ESD) of \$250,000, and Erie County of \$150,000, combined with grant receipts during the year. In 2021 there was an increase of 1,389% or \$7,139,000 due mainly to an award of \$7,695,000 from ESD.

Loans receivable relate to the microenterprise revolving loan fund, known as the Erie County Business Development Fund. Net loans receivable decreased \$117,000 from 2021 to 2022. While there were 14 new loans totaling \$435,000 in 2022, the decrease is due to principal payments received combined with a provision for uncollectible loan expense of \$483,000. The uncollectible loan expense is largely due to loans that are partially forgiven as certain requirements are met. There was a \$631,000 increase in loans receivable from 2020 to 2021.

Land held for sale consists of 153 acres of land at Renaissance Commerce Park in Lackawanna, New York and 238 acres of land at the former Angola Airport site in Evans, New York. In connection with its economic development purpose, ILDC is working with several partners to return these underutilized properties to productive use. The \$366,000 decrease in land held for sale from 2021 to 2022 reflects the sale of 8 acres at the Lackawanna site. The \$333,000 increase from 2020 to 2021 was due to the purchase of a second property in Lackawanna.

The \$801,000 increase in accounts payable from 2021 to 2022 is primarily due to construction-related payables outstanding at year end. The \$10,000 decrease in accounts payable between 2020 and 2021 related to a decrease in payables to project consultants.

The \$278,000 or 61% decrease in the total due to affiliate (ECIDA) from 2021 to 2022 is due to the repayment of \$255,000 with grant proceeds received in 2022. The \$175,000 increase from 2020 to 2021 was due to an increase in ECIDA staff time charged to the microenterprise loan fund.

Unearned revenue relates to grants awarded to the ILDC, for which the related revenue has not yet been recognized. The \$1,325,000 increase from 2021 to 2022 is due to an increase in the dollar amount of grants awarded, mainly \$2,680,000 from EDA, combined with grant revenue recognized. The increase from 2020 to 2021 was also due to an increase in grants awarded.

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Statements of Revenues, Expenses, and Changes in Net Position for the years ended December 31:

<i>in thousands</i>	2022	2021	\$ Change	% Change	2020
Operating revenue:					
Administrative fee income	\$ 191	\$ 10	\$ 181	1,810%	\$ 382
Gain (loss) on land held for sale	(181)	(146)	(35)	24%	-
Interest from loans and other	13	3	10	333%	8
Total revenue	23	(133)	156	(117%)	390
Operating expenses:					
Transfer to ECIDA	282	130	152	117%	477
General, administrative, and depreciation	192	231	(39)	(17%)	190
Loan loss expense, net of recoveries	483	74	409	553%	-
Total operating expenses	957	435	522	120%	667
Operating loss before special project grants	(934)	(568)	(366)	64%	(277)
Special project grants:					
Grant income	2,038	1,814	224	12%	1,163
Grant expense	(1,617)	(426)	(1,191)	280%	(103)
Total special project grants	421	1,388	(967)	(70%)	1,060
Change in net position	\$ (513)	\$ 820	\$ (1,333)	(163%)	\$ 783

Revenue Analysis

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. Administrative fees increased as a result of one bond issuance in 2022 and ILDC charges for amending documents. There were no such bonds issued in 2021 which also accounted for the decrease in fees from 2020.

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. In both 2022 and 2021, the sale price of land sold was less than the cost of land to ILDC. In 2020, there were no land sales.

The \$10,000 increase in interest from loans and other revenue from 2021 to 2022 is due mainly to an increase in loan interest from microenterprise fund loans. The \$2,000 increase from 2020 to 2021 was due to land use agreement.

Expense Analysis

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 \$152,000 increase from 2021 to 2022 relates mainly to administrative fees of \$105,000 for bond activity in 2022, combined with an increase in ECIDA employee hours charged. There were no ILDC bonds issued in 2021. The decrease from 2020 to 2021 related to a \$382,000 administrative fee for a bond issuance in 2020.

In 2021, general, administrative, and depreciation expenses decreased \$39,000 from \$231,000 to \$192,000. The decrease was due mainly to a \$77,000 one-time grant application fee related to the \$7,695,000 award from Empire State Development in 2021. General, administrative, and depreciation expenses increased \$41,000 from 2020 to 2021 due to the same fee.

Most of the loans made under the microenterprise loan program are forgivable loans, which may provide up to 50% of loan forgiveness if certain criteria are met. The increase of \$409,000 in the provision for uncollectible loans from 2021 to 2022 reflects the balances of the outstanding loans that could potentially be forgiven under the terms of the program. There was an increase of \$74,000 from 2020 to 2021.

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Grant income increased \$224,000 to \$2,038,000 in 2022, from \$1,814,000 in 2021. This was due to \$733,000 of grant income recognized related to engineering and road construction at Renaissance Commerce Park, combined with decreases in grant income related to the Angola site and microenterprise loan program. The increase from 2020 to 2021 related to grant income in 2021 for the microenterprise loan program and Angola site Master Plan/GEIS.

Grant expenses relate directly to the costs involved with certain projects undertaken by the ILDC and can vary from year to year based on activity. There was a \$1,191,000 increase in grant expenses from 2021 to 2022 due to an increase in grant-eligible project expenses. A majority of grant expenses are related to the Bethlehem Phase II project (See Note 3 to the financial statements for more details). The increase from 2020 to 2021 related to an increase in project costs related to the Angola site Master Plan/GEIS.

Budget Analysis

ILDC prepares an annual budget which was presented and approved by the Board of Directors on October 27, 2021. The following table presents an analysis of ILDC's performance compared to the approved 2022 budget.

<i>in thousands</i>	Actual	Budget	\$ Variance	% Variance
Operating revenue:				
Administrative fee income	\$ 191	\$ -	\$ 191	100%
Gain (loss) on land held for sale	(181)	250	(431)	(172%)
Interest from loans and other	13	6	7	117%
Total revenue	23	256	(233)	(91%)
Operating expenses:				
Transfer to ECIDA	282	120	162	135%
General, administrative, and depreciation	192	100	92	92%
Loan loss expense, net of recoveries	483	-	483	100%
Total operating expenses	957	220	737	335%
Operating loss before special project grants	(934)	36	(970)	(2,694%)
Special project grants:				
Grant income	2,038	4,310	(2,272)	(53%)
Grant expense	(1,617)	(4,324)	2,707	(63%)
Total special project grants	421	(14)	435	(3,107%)
Change in net position	\$ (513)	\$ 22	\$ (535)	(2,432%)

Overall, ILDC fell below its budgeted increase in net position for 2022 by \$535,000. Total revenue was \$233,000, or 91%, below the budgeted amount due to a loss recorded on the sale of property in 2022. Total expenses were \$737,000, or 335%, above budget. Most of the variance is due to the provision for uncollectible loans of \$483,000 not being included in the original budget. Grant income was \$2,272,000 below the budgeted amount, while grant expenses were \$2,707,000 below budget.

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.

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.

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BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION (A Component Unit of County of Erie, New York)

Balance Sheets

December 31,	2022	2021
Assets		
Current assets:		
Cash	\$ 1,265,215	\$ 2,036,777
Grants receivable	10,212,072	7,653,095
Loans receivable (Note 2)	119,854	61,167
Prepaid expenses	31,500	-
	<u>11,628,641</u>	<u>9,751,039</u>
Noncurrent assets:		
Loans receivable, net (Note 2)	429,741	605,544
Capital assets, net	-	650
Land held for sale (Note 4)	6,867,153	7,233,513
	<u>7,296,894</u>	<u>7,839,707</u>
	<u>\$ 18,925,535</u>	<u>\$ 17,590,746</u>
Liabilities and Net Position		
Current liabilities:		
Accounts payable	\$ 824,190	\$ 22,746
Due to affiliate (Note 5)	179,722	458,111
Unearned revenue	10,571,964	9,246,953
	<u>11,575,876</u>	<u>9,727,810</u>
Net position:		
Restricted	608,122	652,277
Unrestricted	6,741,537	7,210,659
	<u>7,349,659</u>	<u>7,862,936</u>
	<u>\$ 18,925,535</u>	<u>\$ 17,590,746</u>

See accompanying notes.

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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,	2022	2021
Operating revenues:		
Administrative fees	\$ 190,700	\$ 9,600
Loss on land held for sale	(181,324)	(146,122)
Interest from loans and other	13,024	3,304
Total operating revenues	<u>22,400</u>	<u>(133,218)</u>
Operating expenses:		
Transfer to Erie County Industrial Development Agency	282,224	129,863
General and administrative	191,170	229,612
Provision for uncollectible loans	482,505	74,079
Depreciation	650	975
Total operating expenses	<u>956,549</u>	<u>434,529</u>
Operating loss before special project grants	(934,149)	(567,747)
Special project grants:		
Special project grant income	2,037,945	1,813,707
Special project grant expense	(1,617,073)	(425,525)
Total special project grants	<u>420,872</u>	<u>1,388,182</u>
Change in net position	(513,277)	820,435
Net position - beginning	<u>7,862,936</u>	<u>7,042,501</u>
Net position - ending	<u>\$ 7,349,659</u>	<u>\$ 7,862,936</u>

See accompanying notes.

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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,	2022	2021
Operating activities:		
Administrative fees	\$ 190,700	\$ 11,461
Transfers from (to) Erie County Industrial Development Agency	(560,613)	44,775
Principal and interest on loans and other	82,635	56,619
Loans awarded	(435,000)	(760,000)
Proceeds from sale of land	207,250	214,200
Purchase of land held for sale	(22,214)	(693,669)
Payments to vendors and affiliates	(227,807)	(239,514)
Special project grant income	803,979	1,883,564
Special project grant expense	(810,492)	(425,525)
Net change in cash	(771,562)	91,911
Cash - beginning	<u>2,036,777</u>	<u>1,944,866</u>
Cash - ending	<u>\$ 1,265,215</u>	<u>\$ 2,036,777</u>
Reconciliation of change in net position to net cash flows from operating activities:		
Change in net position	\$ (513,277)	\$ 820,435
Adjustments to reconcile change in net position to net cash flows from operating activities:		
Loss on land held for sale	181,324	146,122
Provision for uncollectible loans	(482,505)	(74,079)
Depreciation	650	975
Changes in other assets and liabilities:		
Grants receivable	(2,558,977)	(7,139,044)
Loans receivable	599,621	(556,666)
Prepaid expenses	(31,500)	-
Land held for sale	185,036	(479,469)
Accounts payable	801,444	(9,902)
Due to affiliate	(278,389)	174,638
Unearned revenue	1,325,011	7,208,901
Net operating activities	\$ (771,562)	\$ 91,911

See accompanying notes.

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BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION (A Component Unit of County of Erie, New York)

Notes to Financial Statements

1. Summary of Significant Accounting Policies:

Nature of Organization

Buffalo and Erie County Industrial Land Development Corporation (ILDC) was incorporated for the purpose of participating in the acquisition and development of industrial sites and to provide financial assistance for the acquisition or renovation of fixed assets by industrial companies locating or expanding in the County of Erie, New York (the County). ILDC 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 job 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, ILDC is included in the financial statements of the County as a discretely presented component unit.

Basis of Presentation

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

Measurement Focus

ILDC reports 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. ILDC's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred.

ILDC's policy for defining operating activities in the statements of revenues, expenses, and changes in net position are those that generally result from exchange transactions such as payments received for services, including interest earned on revolving loan funds, and payments made to purchase those goods or services or special project grants whose purpose aligns with the primary mission of ILDC. Grants receivable and unearned revenue are recognized at the time awarded and are recognized as revenue when all eligibility requirements imposed by the provider have been satisfied. ILDC receives special project grants from various Federal, State, and County governments.

Estimates

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 that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Cash

Cash management is governed by New York State (the State) laws and as established by ILDC's written policies. Cash resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Policies permit management to use demand accounts and certificates of deposit for daily operating funds. Invested resources are limited to obligations of the United States Treasury and its Agencies, repurchase agreements, and obligations of the State or its localities.

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Collateral is required for demand and time deposits and certificates of deposit not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral include obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

Custodial credit risk is the risk that, in the event of a bank failure, ILDC's deposits may not be returned to it. At December 31, 2022, ILDC's bank deposits were fully collateralized by FDIC coverage and securities held by the pledging bank's agent in ILDC's name.

Loans Receivable

Loans receivable are stated at the principal amount outstanding, net of an allowance for uncollectible loans. The allowance method is used to compute the provision for uncollectible loans.

Determination of the balance of the allowance for uncollectible loans 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. Interest accrual stops when management adjusts a loan reserve to 50% or more of the loan's outstanding balance.

Net Position

Net position may consist of two components:

- Restricted – consists of restricted assets and deferred outflows of resources reduced by liabilities and deferred inflows of resources related to those assets whose use is constrained to a particular purpose. Restrictions are imposed by external organizations such as federal or state laws and include amounts maintained in the Erie County Business Development Fund (Erie County BDF) (Note 2).
- Unrestricted – the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the restricted component of net position and therefore are available for general use.

Tax-Exempt Bond Transactions

ILDC is an issuer of tax-exempt bond financing for not-for-profit entities which meets the definition of conduit debt obligations. These bonds are obligations of the borrower and secured by the assets they finance. ILDC receives administrative fees from the borrower for providing bond issues which are recognized according to the terms of the fee agreement. 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. At December 31, 2022, previously issued bonds have an aggregate outstanding principal amount payable of \$321,320,743, none of which is recognized as a liability of ILDC.

ILDC transferred \$105,000 in administrative fees to ECIDA in 2022. There were no administrative fees transferred to ECIDA in 2021.

Income Taxes

Although the financial statements are required to be reported as a governmental entity, ILDC is a 501(c)(3) not-for-profit organization for income tax purposes and is exempt from income taxes under §501(a) of the Internal Revenue Code.

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 BDF are restricted pursuant to the original grant terms.

Loans made to local businesses from the Erie County BDF complement private financing at an interest rate of 2% with varying repayment terms. In 2022, ILDC began to provide microenterprise forgivable loans that may provide up to 50% of loan forgiveness if certain criteria are met by the borrower.

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ILDC previously provided a \$750,000 forgivable loan to a borrower. The full balance of the loan will be forgiven in installments of \$150,000 from 2025 through 2029 as long as the borrower meets certain job creation and retention requirements as set forth in the agreement. The entire balance of the loan is included in loans receivable and fully recognized in the allowance for uncollectible loans. The following is a summary of the loans receivable:

	2022	2021
Current status	\$ 1,856,179	\$ 1,490,790
Less allowance	1,306,584	824,079
	549,595	666,711
Less current portion	119,854	61,167
	<u>\$ 429,741</u>	<u>\$ 605,544</u>

Following is a summary of the activity in the allowance for uncollectible loans:

	2022	2021
Balance, beginning of year	\$ 824,079	\$ 750,000
Additions charged to operations	482,505	74,079
	<u>\$ 1,306,584</u>	<u>\$ 824,079</u>

Scheduled maturities, net of allowance, for the next five years and thereafter are as follows:

	Principal	Interest
2023	\$ 119,854	\$ 20,280
2024	128,744	18,557
2025	122,080	16,035
2026	110,612	13,054
2027	63,382	6,301
Thereafter	4,923	491
	<u>\$ 549,595</u>	<u>\$ 74,718</u>

3. Special Project Grants:

Special project grants are comprised of the following:

Bethlehem Phase II

In connection with Phase II of the Renaissance Commerce Park redevelopment, ILDC authorized the execution of a \$1,755,000 grant from Empire State Development (ESD) as Phase I of a capital grant under the Buffalo Billion II Initiative. Proceeds from this grant will be used to acquire additional vacant Brownfield property at Renaissance Commerce Park, purchase a right-of-way along the eastern edge of the property, and plan for the Lackawanna-Woodlawn State Park Shoreline trail.

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, construction of new roads, and installation of utility corridors.

Bethlehem EDA

In 2022, ILDC authorized a \$2,680,000 grant from the U.S. Department of Commerce Economic Development Administration (EDA). Proceeds from this grant will be used for the construction of water and sewer systems to facilitate development of land at Renaissance Commerce Park.

Angola Agribusiness Park

ILDC previously received grants from National Grid for \$354,000 and Erie County for \$230,000 for the development of an agribusiness park at the former Angola Airport in Angola, New York. In 2022, ILDC also received a grant from ESD for \$250,000 for this project.

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

	2022	2021
Bethlehem Phase II	\$ 6,695,000	\$ 6,695,000
Bethlehem EDA	2,680,000	-
Angola Agribusiness Park	687,072	492,765
Other	150,000	465,330
	<u>\$ 10,212,072</u>	<u>\$ 7,653,095</u>

The following is a summary of unearned revenue at December 31:

	2022	2021
Bethlehem Phase II	\$ 7,297,293	\$ 8,656,168
Bethlehem EDA	2,590,483	-
Angola Agribusiness Park	526,410	325,255
Other	157,778	265,530
	<u>\$ 10,571,964</u>	<u>\$ 9,246,953</u>

4. Land Held for Sale

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, 2022 and 2021 amounted to \$6,867,153 and \$7,233,513, respectively.

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In February 2017, ILDC entered into a funding agreement with 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 Renaissance Commerce Park 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, 2022 and 2021, \$6,338,416 of the \$6,400,000 total amount granted has been spent on real property. As of December 31, 2022 and 2021, \$929,235 and \$921,181 of the \$1,000,000 granted for carrying costs was utilized, respectively.

In connection with the Phase I land purchase, ILDC authorized a \$2,780,000 grant from 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 land at Renaissance Commerce Park acquired using ECIDA grant funds, the aggregate of which is not to exceed \$6,700,000. As of December 31, 2022 and 2021, \$3,363,125 and \$3,259,500 in reimbursements have been made to ECIDA.

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, 2022 and 2021, \$855,084 of the \$900,000 granted for the purchase of real property was utilized. As of December 31, 2022 and 2021, \$118,452 and \$69,269 of the \$300,000 granted for carrying costs was utilized.

5. Related Party Transactions:

ECIDA allocates a portion of its personnel and overhead costs to ILDC which amounted to \$177,224 and \$124,534 in 2022 and 2021. The amount outstanding to ECIDA at December 31, 2022 and 2021 related to these costs amounted to \$179,722 and \$124,534. Amounts due to ECIDA totaled \$179,722 and \$458,111 at December 31, 2022 and 2021.

In 2022, Erie County provided \$385,000 to ECIDA as a subrecipient of Community Development Block Grant funds. These funds were then transferred to ILDC for its Erie County BDF loan program and are included in special project grant income in the accompanying 2022 statement of revenues, expenses, and changes in net position.

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BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION
(A Component Unit of County of Erie, New York)

Supplementary Information
Combining Schedule of Balance Sheets

December 31, 2022

	Operating	Erie County BDF Program	Total
Assets			
Current assets:			
Cash	\$ 1,169,403	\$ 95,812	\$ 1,265,215
Grants receivable	10,212,072	-	10,212,072
Loans receivable	-	119,854	119,854
Prepaid expenses	31,500	-	31,500
	<u>11,412,975</u>	<u>215,666</u>	<u>11,628,641</u>
Noncurrent assets:			
Loans receivable, net	-	429,741	429,741
Land held for sale	6,867,153	-	6,867,153
	<u>6,867,153</u>	<u>429,741</u>	<u>7,296,894</u>
	<u>\$ 18,280,128</u>	<u>\$ 645,407</u>	<u>\$ 18,925,535</u>
Liabilities and Net Position			
Current liabilities:			
Accounts payable	\$ 823,954	\$ 236	\$ 824,190
Due to affiliate	142,673	37,049	179,722
Unearned revenue	10,571,964	-	10,571,964
	<u>11,538,591</u>	<u>37,285</u>	<u>11,575,876</u>
Net position:			
Restricted	-	608,122	608,122
Unrestricted	6,741,537	-	6,741,537
	<u>6,741,537</u>	<u>608,122</u>	<u>7,349,659</u>
	<u>\$ 18,280,128</u>	<u>\$ 645,407</u>	<u>\$ 18,925,535</u>

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BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION (A Component Unit of County of Erie, New York)

Supplementary Information Combining Schedule of Revenues, Expenses, and Changes in Net Position

For the year ended December 31, 2022

	Operating	Erie County BDF Program	Total
Operating revenues:			
Administrative fees	\$ 190,700	\$ -	\$ 190,700
Loss on sale of land	(181,324)	-	(181,324)
Interest from loans and other	629	12,395	13,024
Total operating revenues	10,005	12,395	22,400
Operating expenses:			
Transfer to Erie County Industrial Development Agency	245,506	36,718	282,224
General and administrative	190,491	679	191,170
Provision for uncollectible loans	-	482,505	482,505
Depreciation	650	-	650
Total operating expenses	436,647	519,902	956,549
Operating loss before special project grants	(426,642)	(507,507)	(934,149)
Special project grants:			
Special project grant income	1,574,593	463,352	2,037,945
Special project grant expense	(1,617,073)	-	(1,617,073)
Total special project grants	(42,480)	463,352	420,872
Change in net position	(469,122)	(44,155)	(513,277)
Net position - beginning	7,210,659	652,277	7,862,936
Net position - ending	\$ 6,741,537	\$ 608,122	\$ 7,349,659

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INDEPENDENT AUDITORS' 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*

The Board of Directors
Buffalo and Erie County Industrial
Land Development Corporation

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 balance sheet of Buffalo and Erie County Industrial Land Development Corporation (ILDC), a business-type activity and a component unit of the County of Erie, New York, as of December 31, 2022, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, which collectively comprise ILDC's basic financial statements, and have issued our report thereon dated March 16, 2023.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether ILDC'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*.

DRAFT

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 ILDC's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering ILDC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

March 16, 2023

DRAFT

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SECTION 2925(3)(f) OF THE NEW YORK STATE PUBLIC AUTHORITIES LAW

The Board of Directors
Buffalo and Erie County Industrial
Land Development Corporation

We have audited, in accordance with auditing standards generally accepted in the United States of America, the balance sheet of Buffalo and Erie County Industrial Land Development Corporation (ILDC), a business-type activity and a component unit of the County of Erie, New York, as of December 31, 2022, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and we have issued our report thereon dated March 16, 2023.

In connection with our audit, nothing came to our attention that caused us to believe that ILDC failed to comply with §2925(3)(f) of the New York State Public Authorities Law regarding investment guidelines during the year ended December 31, 2022. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding ILDC's noncompliance with the above rules and regulations.

The purpose of this report is solely to describe the scope and results of our testing. This communication is not suitable for any other purpose.

March 16, 2023

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

2022 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 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 (RLFs). The first was capitalized by an Economic Development Administration (EDA) grant with matching funds from the City of Buffalo. The EDA released its federal interest in this original (“Legacy”) RLF in 2021. The second RLF was capitalized by a 2020 EDA grant as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act.
- 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, 2022.

1. Operations & Accomplishments:

A report on the 2022 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, Lumsden McCormick, LLP. 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, 2022, and the changes in financial position and cash flows for the year then ended in conformity with accounting principles 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 at times 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 (as lessee) has a lease for its office space and three minor long-term leases for office equipment. The office lease is recognized as a right-to-use lease asset and lease liability in the audited financial statements.

3. Mission Statement & Performance Measurements:

The ECIDA’s Mission Statement & Measurements Report for 2022 is included in Attachment 1. This document was reviewed and approved by the Board at the March 23, 2022 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, 2022. 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 2022. 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 2022.

6. Projects Undertaken by the Corporation during 2022:

Attachment 4 details the tax-exempt bonds and tax abatements that were approved during 2022. Attachments 4A and 4B detail the loans that were funded in 2022 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 19 full-time employees and 1 part-time employee during 2022.

v) Organizational Chart:

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

12. Bylaws:

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

13. Listing of Material Changes in Operations and Programs:

ECIDA, through its development arm ILDC, continued redevelopment work at Renaissance Commerce Park in Lackawanna, NY. Contracts for road construction and sewer and water line construction were awarded during 2022, to be funded with grants from Empire State Development (ESD) and the U.S. Economic Development Administration (EDA). Water and sewer engineering work continued 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 exercised a purchase option on an 8-acre parcel of land for a new construction commercial warehouse building after the success of their first building with land purchased in 2021. Ciminelli Real Estate Corporation also entered into an agreement to purchase an 11.5-acre parcel for new commercial construction. Funding from Erie County for wayfinding and entry signage was also secured during the year.

The ILDC continued work on the Agri-Business Park's Master Plan/GEIS in 2022, 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). A \$250,000 grant was also awarded by ESD to be used for building demolition, sewer, and roadway work.

ECIDA worked in conjunction with other local IDAs to approve an Amended and Restated Countywide IDA Uniform Tax Exemption Policy (UTEP). The UTEP maintains a baseline "Countywide Policy" for all IDAs within Erie County, and allows for each IDA to adopt unique requirements or policies specific to an individual IDA, if desired.

ECIDA also serves as the designated Planning Organization for the EDA, responsible for the development and implementation of a Comprehensive Economic Development Strategy (CEDS) for the region. A new CEDS must be prepared at least every five years for communities and organizations within the area to qualify for certain EDA funding. ECIDA worked in partnership with numerous local municipalities and other stakeholders to update the CEDS for 2022-2026. Key themes include infrastructure, business and industry support, quality of life, and regional collaboration.

The RDC continued to operate two revolving loan funds (RLFs) in 2022, providing favorable terms to businesses who may not qualify for traditional lending from banks. By the end of 2022, the RDC's funds available for lending dropped to approximately \$750,000, meaning that over \$21 million has been put to work in Erie County, NY.

ECIDA's and ILDC's Board approved a formal Fee Structure policy in 2022.

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 2022 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 using 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)**

2022 Mission Statement and Performance Measurements with Results

Approval Date of Goals: March 23, 2022

Approval Date of Results: March 22, 2023

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 improves the quality of life for the residents of the region.

Performance Goals, Measures & Results:

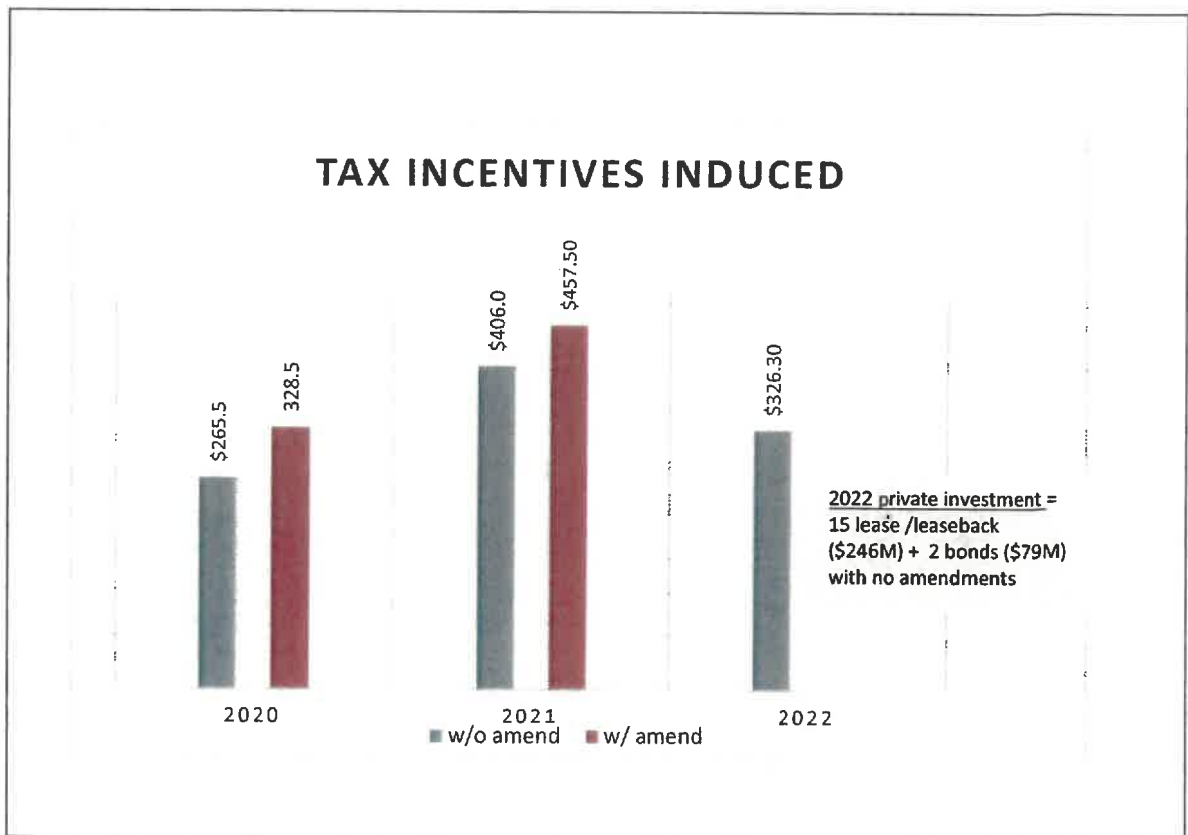
Goal 1: To promote private investment & innovation:

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: \$225 - \$250 M in private investment from approved tax incentives.

Results: A total of 17 projects with a total private investment amount = \$326.3M were approved (no amendments). This included tax incentives associated with 2 ECIDA bonds. In 2022 the ECIDA, along with the IDAs in Amherst, Clarence, Hamburg & Lancaster updated the Countywide Industrial Development Agency Uniform Tax Exemption Policy (UTEP) Changes made include restating PILOT schedules to better align the benefit period with the project timeline, adding alternative energy PILOT policies and a general update to various components of the UTEP that hadn't been updated in over a decade.

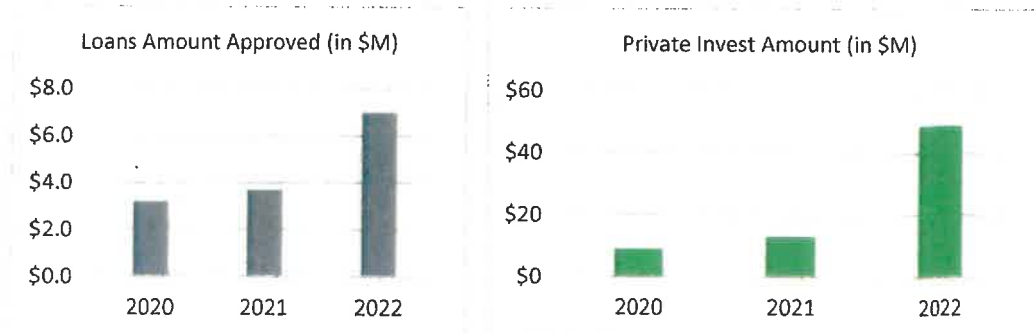


Objective 1B: RDC: Provide “gap financing” to spur the creation of new businesses and private-sector investment in working capital, machinery and equipment.

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

Metric: 8 – 10 Business loans approved for a total of \$3 M in new business loans with a private investment amount = \$8 M.

Results: In 2022, the RDC approved 9 loans from the Legacy Fund for \$6.98M with \$48.7M in private investment.

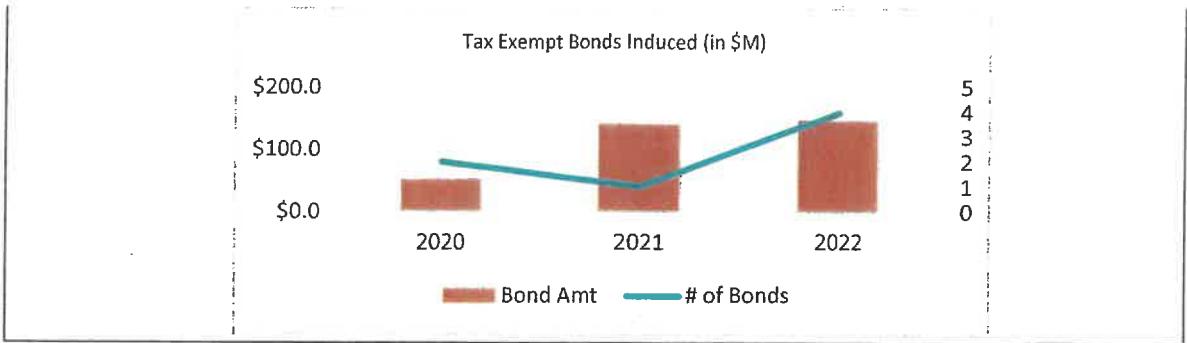


Objective 1C: ECIDA & ILDC: Assist non-profit and other eligible borrowers to obtain low-interest, tax-exempt bond financing.

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

Metric: 1 -2 tax exempt bonds totaling \$30 – \$35 M

Results: 4 tax exempt bonds totaling \$146.6M were approved in 2022. An \$80M bond (Joint School Construction Board) accounts for 55% of the total approved. Two multi-family housing project bonds will allow for the renovation of 320 apartment units of which 250 units (78%) are Section 8 / 60% AMI.

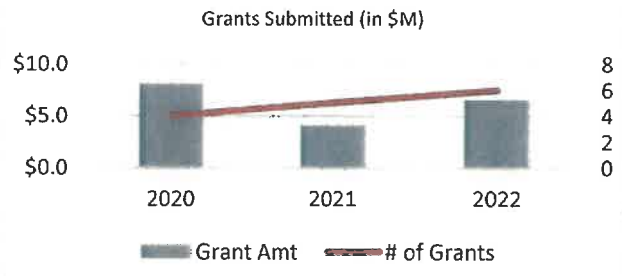


Objective 1D: ECIDA & ILDC: Pursue state, federal and private funding opportunities to support priority projects & leverage private investment.

Measurement: Number and \$ amount of grant applications submitted

Metric: 4 – 5 grants submitted for \$1.5 - \$2 M.

Results: 6 grant applications were submitted for a total of \$6.6 M. 2 grants have been awarded for \$48,000, 2 grants are pending approval (\$4.73M) and 2* grants (\$1.83M) were not selected for funding. Additional Note: Currently the ECIDA is administering six grants totaling \$3.5M. Grant administration activities include: implementation, consultant selection, financial administration, and reporting (MWBE, status, final & closeout).



*1 of 2 grants not selected for funding will be resubmitted for funding in 2023

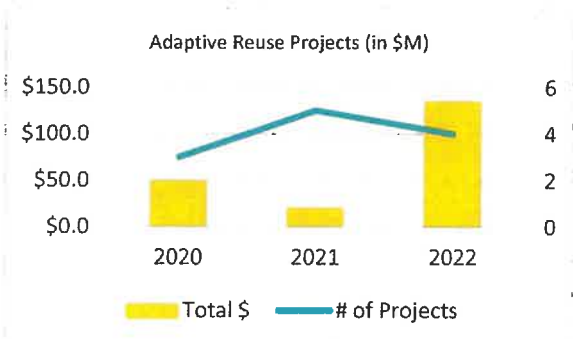
Goal 2: To support business formation, job growth, and economic expansion targeting economically challenged and disadvantaged communities:

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: 5 - 6 adaptive reuse projects approved totaling \$150 - \$175 M

Result: Four adaptive reuse projects were approved with total private investment = \$ 135.7M. These projects will create a total of 296 apartment units of which 74 units (25%) will be available at 80% AMI (or below). All 4 projects are in distressed census tracts.



*Three of the six grant applications submitted by the ECIDA (see objective 1D) directly support the revitalization of vacant / underutilized properties that are historic structures, located in the Village of Angola.

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 5 – 7 MWBEs

Results: 5 MWBEs received assistance totaling over \$1.69M: 1 loan (\$400,000), 2 PPE grants (\$7,937) and 2 tax incentives (\$1.29M)



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 \$107,000 of operational purchases were identified (major categories were office supplies, IT services/hardware/software, and printing/marketing). Of that total, \$14,800 (13.8%) were from known M/WBEs. \$11,120 (10.4%) were from WBEs and \$3,680 (3.4%) were from MBEs. While ECIDA did not meet our 2022 goal, we did nearly triple our annual spend with an MBE office supply vendor and increase our overall spend with WBEs by 15%.

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 - Professional services including 30% MWBE (25% MBE/ 5% WBE) for engineering/design, Construction service that includes 30% MWBE (25% MBE/ 5% WBE) for contract utilization and RFPs and/or bids scoring – that includes MWBE utilization and/or D&I initiatives valued at 10% of the scoring index

Results: Professional Services: 100% compliance: 2 RFP/bids issued in 2022 with value = \$ 169,400 included 30% MWBE have been awarded to vendors with commitment to 30% MWBE for a value of \$137,361.

Construction Services 100% compliance: 2 bids issued in 2022 with a value of \$6.5 million included 30% MWBE goal have been awarded to vendors with a commitment to 30% MWBE for a value of \$1,819,018.

RFPs and/or Bids Scoring: 100% of RFPs included scoring value = 10% for MBE/WBE commitment.

Objective 2E: ECIDA, ILDC & RDC: Create a formal diversity, equity & inclusion policy for the organization focusing on staff development and employment goals.

Measurement: Implement training re: Racial Equity

Metric: 1) Formalize Racial Equity training as part of online onboarding capabilities through new HR software and 2) provide two or more continuing educational / training opportunities for staff on DEI

Results: Training added as part of onboarding. For ECIDA's 2 hires in 2022: 1 completed D&I training, the 2nd (joined 4th Q) will receive D&I training in 2023. Two DEI trainings: ECIDA purchased a corporate pass for 6/16/22 BNP "D&I Symposium: DE&I at work" – attended by staff. Staff members also attended BNP's 10/18/22 "Get The Results: Employing DEI in WNY – 2022." The ECIDA funded a portion of the study and was a "Title Sponsor."

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

Measurement: Total # and average \$ of jobs to be retained & created. For informational purposes include salary info re: management, professional, administrative, production, independent contractor and other.

Metric: Average salary* for retained and created jobs at \$45,000 - \$50,000

Results: In 2022, the average salary for the 1,185 FT jobs (946 retained, 239 new) = \$69,849.

2022 FULL TIME			
Category	# jobs	Salary w/o Fringe	Salary w/ Fringe
Management	322	\$102,650	\$125,274
Professional	306	\$65,260	\$82,583
Administrative	91	\$41,349	\$50,188
Production	452	\$53,109	\$71,038
Independent Contractor	0	\$0	\$0
Other	14	\$30,968	\$38,223
	1185		

In 2022, the average salary for the 81 PT jobs (23 retained, 58 new) = \$ 30,827

2022 PART TIME			
Category	# jobs	Salary w/o Fringe	Salary w/ Fringe
Management	1	\$20,000	\$22,800
Professional	3	\$30,960	\$33,293
Administrative	11	\$23,434	\$27,160
Production	55	\$31,415	\$35,955
Independent Contractor	1	\$15,000	\$19,950
Other	10	\$25,500	\$28,815
	81		

The total annual payroll amount = \$86M

*Average salary metric is based on historical data with consideration given to market adjustments (such as inflation, cost of living) and comparisons to County / City of Buffalo living wage data"

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

Measurement: Number of business outreach attempts (including marketing communication efforts)

Metric: 20,000 business outreach contacts

Results: In 2022 business outreach contacts = 23,744. The outreach efforts include both direct business development contacts, event participation, presentations at sponsored & non sponsored events, and direct marketing communication activities (direct mailers, marketing email clicks and podcast listeners).

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 & redevelopment of approx 490 acres of land: 250 acres vacant and/or brownfield and 240 acres of redevelopment for the Agribusiness Park. As a result of continued land sales and RFP offerings the overall acreage under ownership or management at Renaissance Commerce Park decreased from 250 acres to 175 acres as a result of property sales, to TMP, Uniland Dev and an RFP for Ciminelli Dev. 2022 investment, \$6.5 million of public investment and private investment of \$14.5 million - completion of construction of 8 Dona facility.

- Construction of new water tower at Agri-business park to provide additional water service to the Town of Evans and the Agri-business Park
- Shoreline Trail Monument and Landscape Study Underway at RCP
- Consultant hired to study passive park feasibility
- Negotiated agreement for rail relocation for balance of business park II sites
42 acres at RCP

- RFP awarded to Ciminelli Development for acquisition and development of up to 34 acres
- Began design work for Utility extensions at Ridge Road and Odell St
- Road B construction completed
- Sewer and Water Line Project Bid and Construction Underway
- TMP Ribbon Cutting
- 8 Dona Street Facility Substantially Completed, New Tenant to take occupancy in early 2023
- Closed on sale to Uniland Development for 2nd Spec. Building site 12 acres

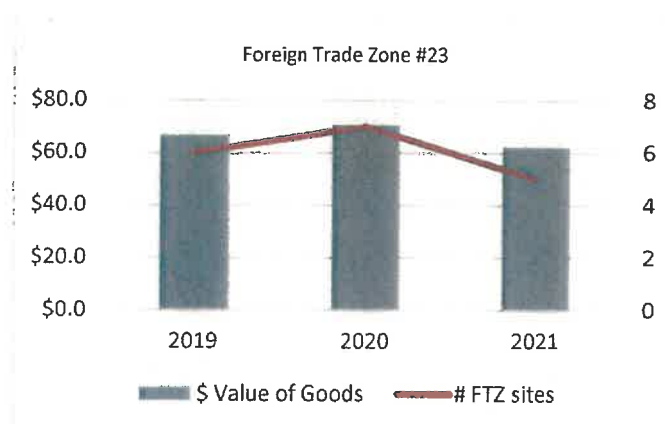
Goal 3: To encourage international trade:

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 & # of FTZ activated sites

Metric: A total of 6 FTZ sites with goods valued at \$62 M moving through the zone.

Results: \$62.2M in goods moved through the FTZ in 2021.* Active FTZ #23 sites decreased to 5 for 2021 due primarily to the shutdown of the Canadian Border and strict COVID protocols.



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

Goal 4: Business Resiliency Post COVID:

Objective 4A:	ECIDA, RDC, ILDC: Assist Erie County businesses post COVID.
Measurement:	Provide a roadmap for business resiliency
Metric:	Approval of an Updated 2022 Community Economic Development Strategy (CEDs) that includes a Post COVID-19 Economic Recovery Response Addendum that will provide action steps for responding to the economic injury/disruption caused by the coronavirus pandemic
Results:	The final 2022-2026 CEDs, including a resiliency & post-pandemic toolkit, was formally adopted by the ECIDA's Board of Directors on 7/27/22 and accepted by the U.S. Economic Development Administration (EDA) on 8/25/22. Economic and community resiliency is incorporated throughout the 2022 CEDs matrix, with several actions reinforcing resiliency through enhanced: Economic Vitality, Community Connectivity and Capacity Building. Additional resiliency related actions within the plan include: 1) repairing and modernizing infrastructure, 2) preparing a resilient workforce and 3) improving public transportation that enhances community connectivity.

Objective 4B:	ECIDA RDC, ILDC: 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 and other programs funded by Community Development Block Grant funds
Metric:	Approve 5-7 loans for \$150,000
Results:	In 2022, the ILDC closed 14 micro enterprise loans for \$435,000 with \$152,551 in private investment. Six of the 14 loans (43%) were to Woman or Veteran owned businesses.

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: Collected, reviewed and analyzed 102 employment reports on quarterly basis; 100% of client material terms reporting and filing were met including for the 3/31/23 ABO annual report. As a result of the pandemic, there were 10 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: Collected and analyzed 43 client ST-340 reports, finding 100% compliance for 3/31/23 reporting of clients not exceeding approved sales tax limits. Sales tax amounts exceeding approved limits were collected and submitted to NYS.

Objective 5C: 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: The Agency is on track to meet filing requirements of the ABO's 3/31/23 reporting deadline

Objective 5D: 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: The Agency is on track to meet filing requirements of the ABO's 3/31/23 reporting deadline

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

Measurement: Obtain the highest audit rating from the ECIDA designated auditors.

Metric: Receive a "satisfactory" rating on the RLF Audit

Results: The RDC received an unmodified opinion on the audit of compliance of the revolving loan fund.

Objective 5F: RDC: Ensure proper controls and safeguards over the administration of the new \$5 Mil EDA CARES Act 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: Receive an "A" rating from the EDA.

Results: The disbursement period for this RLF ended June 30, 2022. EDA has not yet issued risk ratings for the CARES Act RLF.

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 2022	Year End Balance 2022	Principal Paid 2022	Interest Rate	Bond/Loan Number	Bond Maturity
2591	M&T Bank	Canisius High School	\$22,250,000	\$ 10,450,000	\$ 9,900,000	\$ 550,000	var	1012768	2/1/38
10216	U.S. Bank National Association	Medaille College 2013 Refund of ECIDA 2003 Bond	\$18,240,000	\$ 13,700,000	\$ 13,010,000	\$ 690,000	fixed	11943KBA9, 11943KBB7, 11943KBE1, 11943KBC5, 11943KBD3	2/16/35
10404	Zions Bancorporation	Marina Vista	\$13,300,000	\$ 12,957,964	\$ 12,768,730	\$ 189,234	fixed	CPC7068801, 7916	12/20/37
10758	Huntington National Bank	OAHS Tonawanda TC, LLC (Tonawanda Towers)	\$11,740,000	\$ -	\$ 11,740,000	\$ -	Fixed	1	10/1/1962
1062	M&T Bank	Niagara Maryland Development, LLC	\$2,500,000	\$ 420,000	\$ 215,000	\$ 205,000	var	295088FM5	6/1/23
2360	New York Housing Finance Agency	2009 Shoreline Apartments LLC	\$9,000,000	\$ 1,143,250	\$ 1,096,892	\$ 46,358	0.055	5003	11/30/41
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	\$95,185,000	\$ -	\$ 95,185,000	var.	G018	5/1/26
10194	M&T Bank	Joint Schools Construction Board 2013 Refund of 2009A Bonds	\$62,540,000	\$ 60,520,000	\$ 60,235,000	\$ 285,000	var	254	5/1/28
10291	M&T Bank	Joint Schools Construction Board (Refund of 2007A & 2008A bonds) - Series 2015A	\$236,975,000	\$ 160,470,000	\$ 140,925,000	\$ 19,545,000	var.	H378	2029
10342	M&T Bank	Joint Schools Construction Board Series 2016A (Refund of 2009A Bonds)	\$133,580,000	\$ 115,370,000	\$ 100,275,000	\$ 15,095,000	2.17		2031
10621	M&T Bank	Joint Schools Construction Board/City School District of the City of Buffalo -2021 series	\$109,135,000	\$109,135,000	\$ 103,935,000	\$ 5,200,000	Fixed		2032
10730	M&T Bank	Joint Schools Construction Board/City School District of the City of Buffalo - 2022 series	\$71,150,000	\$0	\$ 71,150,000	\$ -	Fixed		2026
1035	Huntington National Bank	Child & Family Services of Erie County	\$4,200,000	\$ 205,000	\$ -	\$ 205,000	var.	ERIENYCHL002 ; 5082022935	6/1/22
1036	Huntington National Bank	People, Inc.	\$13,685,000	\$ 60,000	\$ -	\$ 60,000	.0722; var	ERIENYPEOPLE; 5082023104	6/1/22
2516	Bank of New York Mellon	Our Lady of Victory Renaissance Corporation	\$11,860,000	\$ 7,305,000	\$ 6,805,000	\$ 500,000	0.053		4/1/32
				\$ 595,511,214	\$ 540,645,622				

Id	Bank	ProjectName	Bond Amount	Year Start Balance 2022	Year End Balance 2022	Principal Paid 2022	Interest Rate	Loan Number
10111	M&T Bank	Cantalian Center for Learning-Series A	\$9,525,000	\$5,378,333	\$ 4,953,333	\$425,000	var.	1034105
10398	M&T Bank	Medaille College 2018 Series Refunding of 2010 Bonds	\$9,350,000	\$ 9,150,000	\$ 9,045,000	\$105,000		
2758	UMB Bank	Enterprise Charter School	\$7,345,000	\$6,215,000	\$ 6,060,000	\$155,000	7.5	1032851
10371	M&T Bank	Tapestry Charter School	\$33,900,000	\$32,625,000	\$ 32,150,000	\$475,000		Series A - 123350-000 Series B - 123351-000
10399	Wilmington Trust	Global Concepts Charter School	\$6,185,000	\$ 5,525,000	\$ 5,290,000	\$235,000	4 & 5%	131876-000
10375	U.S. Bank	Charter School for Applied Technologies	\$22,995,000	\$19,355,000	\$18,340,000	\$1,015,000	Varies: 4.25%- 5.00%	220612000
10470	U.S. Bank	D'Youville College	\$48,205,000	\$47,405,000	\$ 46,525,000	\$880,000	Variable	
10296	M&T Bank	Canisius College of Buffalo, New York - Refund of 2004-2005 DASNY Bonds - Series 2015A	\$30,760,000	\$20,690,000	\$ 19,825,000	\$865,000	Libor rate: 1.3375	3233822
10296	M&T Bank	Canisius College of Buffalo, New York - Refund of 2004-2005 DASNY Bonds - Series 2015B	\$16,195,000	\$16,195,000	\$ 16,195,000	\$0	Libor rate: 1.4075	3233830
10290	The Bank of New York Mellon	Orchard Park CCRC, Inc. a/k/a Fox Run	\$44,490,000	\$36,975,000	\$ 35,550,000	\$1,425,000	1-5%	
10018	Key Bank	134 High Street, LLC	\$24,050,000	\$19,312,637	\$ -	\$19,312,637	1.9	2000 19408
10713	Key Government Finance, Inc.	134 High Street, LLC, Series 2022	\$19,635,847	\$0	\$ 19,023,082	\$ 612,765	2.92%	
10338	M&T Bank	854 Ellicott Street, LLC	\$44,328,500	\$41,332,249	\$ 35,384,328	\$5,947,921	2.95	99-6641368-3
10278	The Bank of New York Mellon	Catholic Health System	\$93,800,000	\$77,245,000	\$ 72,980,000	\$4,265,000	5	
				\$337,403,219	321,320,743.11			

Erie County Industrial Development Agency
Compensation Schedule
Year Ended: December 31, 2022

ATTACHMENT 3

The following employees had a base salary greater than \$100,000 in 2022:

Name	Title	Salary	Performance Compensation	Payroll Taxes*	Benefits	Total
John Cappellino	President & CEO	\$ 186,389	-	11,194	40,828	\$ 238,411
Elizabeth O'Keefe	Vice President - Operations	\$ 112,261	3,238	9,088	21,901	\$ 146,488
Mollie Profic	Vice President & CFO	\$ 110,627	3,191	8,959	36,646	\$ 159,423
Grant Lesswing	Director of Business Development	\$ 102,222	2,949	8,297	28,913	\$ 142,381

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

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
McDuffie, Brenda	Board of Directors												X	
Nellis, Glenn	Board of Directors												X	
Poloncarz, Mark	Board of Directors												X	
Pridgen, Darius	Board of Directors												X	
Schoelz, Kenneth	Board of Directors												X	
Vukalic, Paul	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												X	
Lesswing, Grant	Director of Business Development												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, 2022

Company	Projected Year 2 Jobs	Net Jobs Projected to be Created	Lease Project Amount	Tax Exempt Bond Amount	Date Approved
1 791 Washington Street, LLC	5	5	\$ 107,950,000		1/26/2022
2 Ellicott Townhomes	4	2	54,664,295	\$ 33,000,000	10/26/2022
3 Laborers Way 1	20	20	27,800,000		8/24/2022
4 Tonawanda Towers	3	0	25,040,720	13,000,000	10/26/2022
5 10 Dona Street; Renaissance 6, LLC	41	41	19,692,754		11/30/2022
6 Perry's Ice Cream	371	15	18,000,000		7/27/2022
7 Broadway Development & Management Group, LLC	5	5	12,500,000		1/26/2022
8 950 Broadway	34	34	11,653,862		9/28/2022
9 Warehouse #2 @132 Dingsens	18	18	9,300,000		12/21/2022
10 380 Vulcan/Carrier Terminal Services, Inc.	7	3	7,145,000		7/27/2022
11 Alden NY Shop	82	15	5,225,000		12/21/2022
12 471 Elmwood Avenue	1	1	3,590,000		3/23/2022
13 A&A Union Road, LLC	14	2	3,110,729		7/27/2022
14 Arbor Multi-Family Lending	193	25	2,100,000		1/26/2022
15 Spaulding Business Park LLC	20	20	2,055,000		7/27/2022
16 Lactalis American Group, Inc.	360	27	1,436,697		1/26/2022
17 JSCB Series 2022A Refunding of 2012A Bonds	0	0		80,000,000	4/27/2022
Total:	1178	233	\$ 311,264,057	\$ 126,000,000	

Buffalo & Erie County Regional Development Corporation
Projects Undertaken by the Corporation (Loans)
Year Ended: December 31, 2022

<u>Company</u>	<u>Loan Amount</u>	<u>Date Closed</u>
1 Plastic Acquisitions, Inc.	\$ 1,500,000	3/4/2022
2 Upstate Builders Supply LLC	750,000	9/27/2022
3 Johnsons Taphouse, Inc.	600,000	12/20/2022
4 ABM Holdings 1 LLC dba Midland Machinery Co. Inc.	475,000	11/28/2022
5 Kishore Inc. dba Spice Bazaar	400,000	1/27/2022
6 ACB Operations, LLC	400,000	3/25/2022
Total	<u>\$ 4,125,000</u>	

Buffalo & Erie County Industrial Land Development Corporation

Projects Undertaken by the Corporation (Loans)

Year Ended: December 31, 2022

<u>Company</u>	<u>Loan Amount</u>	<u>Date Closed</u>
1 Lakeshore Grooming Lounge	\$ 35,000	2/3/2022
2 Sweet Sip Juice Bar LLC-Joshua Chester	35,000	5/25/2022
3 CRS Painting	35,000	6/7/2022
4 M.A.C Fitness 100, LLC	35,000	6/8/2022
5 Twin Oak Trails LLC	35,000	6/14/2022
6 K&B Properties of WNY LLC	35,000	6/28/2022
7 Feelings Rock, Inc.	35,000	8/5/2022
8 Stack Burger LLC	35,000	8/9/2022
9 Wild Disc LLC	35,000	8/10/2022
10 Goshen Farms	35,000	12/21/2022
11 Davies Hillside Farms	35,000	12/22/2022
12 Robbyn Drake Consulting	30,000	6/8/2022
13 Til Death Tattoos of WNY-Derrick Buyea	15,000	3/28/2022
14 Rachacha Designs	5,000	9/16/2022
Total	\$ 435,000	

Erie County Industrial Development Agency
Property Report
Year Ended: December 31, 2022

Table 1. The following is a listing of all real property owned by the ECIDA and its affiliates at December 31, 2022.

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	\$ 1,215,000
ECIDA	143 Genesee Street, Buffalo, NY 14203	12,803 square foot office facility	1,800,000
ILDIC	3445 River Road, Tonawanda, NY 14150	Vacant land	20,000
ILDIC	1526 Eden Evans Center Road, Evans, NY 14006	237.99 acres of land w/4 commercial buildings	703,506
ILDIC	2303 Hamburg Turnpike, Lackawanna, NY 14218	152.89 acres of vacant land w/19,368 s.f. building	\$ 1,619,331

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 2022.

Owner	Address and Location of Property	Full Description of Property	Estimated FMV* of Property	Name & Address of Purchaser	Date of Sale	Price Received
ILDIC	Part of 2303 Hamburg Turnpike, Lackawanna, NY 14218	8.29 acres of vacant land (Parcel II-11)	\$ 153,365	The Uniland Partnership of Delaware, L.P. 100 Corporate Parkway, Suite 500 Amherst, NY 14226	7/14/2022	\$207,250

Table 3. The following is a listing of all real property that was acquired during 2022.

Owner	Address and Location of Property	Full Description of Property	Estimated FMV* of Property	Name & Address of Seller	Date of Purchase	Price Paid
Owner						

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 12/31/22)

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	
Thomas Baines*		ERI						
April Baskin *						ER		
Penny Beckwith*				ERI				ERI
Diane Benczkowski					ERI			
Mark Blue			E			ER		
Byron Brown	ER					ER		
Allison DeHoney*				ERI				
Colleen Dipirro *						ER		
Joseph Emminger	ER						ER	
Zachary Evans*		ERI			ERI	ER		
Dottie Gallagher			E		ERI			
Rebecca Gandour*							ER	
Howard Johnson		ERI						
Tyra Johnson-Hux		ERI						ERI
Brian Kulpa				ERI				
Nancy LaTulip*							ER	
Richard Lipsitz	ER		E		ERI	ER		
Denise McCowan								
Brenda McDuffie	ER	ERI	E	ERI		ER		
David Mckinley*							ER	
Glenn Nellis	ER			ERI		ER		
Mark Poloncarz	ER		E		ERI			
Darius Pridgen	ER							ERI
Kenneth Schoetz		ERI	E		ERI			ERI
Laura Smith *						ER		
David State *		ERI				ER		

ECIDA/RDC/ILDC Board Committees

(As of 12/31/22)

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			ER	
Michael Taylor*								
John Tobia*						ER		
Paul Vukelic						ER		
William Witzleben*				ERI				ERI
Royce Woods*							ER	

*** Non-Board members**

2022 ECIDA AND AFFILIATES BOARD MEMBER MEETING LIST
X = ATTENDED

Attachment #7

Board	Member	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Notes
ECIDA	Denise Abbott	X	X	X		No Meeting	6/22/22	X	X	X	X	X	X	
	Hon. Diane Benczkowski	X	X		X		X	X	X			X	X	
	Rev. Mark Blue	X	X	X			X	X	X	X		X	X	
	Hon. Byron Brown				X		X		X					
	James Doherty													
	Hon. Joseph Emminger	X	X		X		X	X	X	X	X	X	X	
	Dottie Gallagher	X					X		X				X	
	Michael Hughes						X							Term began 06/22/2022.
	Hon. Howard Johnson	X	X	X	X		X	X	X	X	X	X	X	
	Tyra Johnson Hux	X	X	X	X		X	X	X	X	X	X	X	
	Hon. Brian Kulpa			X	X		X	X			X	X	X	
	Richard Lipsitz			X	X			X			X	X	X	
	Denise McCowan									X	X	X	X	Term began 7/27/2022.
	Brenda McDuffie			X	X			X		X	X	X	X	
	Hon. Glenn Nellis			X	X			X		X	X	X	X	
	Hon. Mark Poloncarz				X			X			X		X	
	Rev. Darius Pridgen	X	X	X	X			X		X	X			Term ended 6/22/2022.
	Sr. Denise Roche	X	X	X	X									
	Kenneth Schoetz	X	X		X		X	X	X	X	X	X	X	
	Paul Yukevic	X	X				X					X		Term ended 6/22/2022.
	Renee Wilson			X										
Board	Member	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Notes
RDC	Denise Abbott	No Meeting	No Meeting	3/23/22	4/27/22	No Meeting	No Meeting	7/27/22	No Meeting	9/28/22	10/26/22	11/30/22	12/21/22	
	Diane Benczkowski				X			X		X		X	X	
	Rev. Mark Blue			X				X		X		X	X	
	Hon. Byron Brown				X									
	James Doherty													
	Hon. Joseph Emminger				X			X		X	X	X	X	
	Dottie Gallagher			X									X	
	Michael Hughes													Term began 06/22/2022.
	Howard Johnson			X	X			X		X	X	X	X	
	Tyra Johnson Hux			X	X			X		X	X	X	X	
	Hon. Brian Kulpa			X	X			X		X	X	X	X	
	Richard Lipsitz			X	X			X		X	X	X	X	
	Denise McCowan									X	X	X	X	Term began 7/27/2022.
	Brenda McDuffie			X	X			X		X	X	X	X	
	Hon. Glenn Nellis			X	X			X		X	X	X	X	
	Hon. Mark Poloncarz			X	X			X		X	X	X	X	

2022 ECIDA AND AFFILIATES BOARD MEMBER MEETING LIST
X = ATTENDED

Attachment #7

Board	Member	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Notes
RDC	RDC	No Meeting	No Meeting	3/23/22	4/27/22	No Meeting	No Meeting	7/27/22	No Meeting	9/28/22	10/26/22	11/30/22	12/21/22	
	Rev. Darius Pridgen			X						X	X			Term ended 6/22/2022.
	Sr. Denise Roche			X	X			X		X	X	X	X	
	Kenneth Schoetz				X					X	X	X		
	Paul Vukelic											X		
	Renee Wilson			X										Term ended 6/22/2022.
Board	Member	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Notes
LLDC	LLDC	1/26/22	2/23/22	3/23/22	4/27/22	No Meeting	6/22/22	7/27/22	No Meeting	9/28/22	10/26/22	No Meeting	No Meeting	
	Denise Abbott	X	X				X	X		X	X			
	Hon. April Baskin	X			X		X	X		X				
	Hon. Byron Brown				X		X							
	Daniel Castle													Term began 11/30/2022.
	Hon. Howard Johnson	X	X	X	X		X	X		X	X			
	Richard Lipsitz	X	X	X	X		X	X		X	X			
	Hon. Mark Poloncarz	X	X	X	X			X		X	X			
	Maria Whyte	X	X	X	X		X			X				Term ended 9/28/2022

ATTACHMENT 8

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2022

Run Date: 03/06/2023
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-f(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: 12/31/2022

Run Date: 03/06/2023
 Status: UNSUBMITTED
 Certified Date : N/A

Procurement Transactions Listing:

1.	Vendor Name	Audacy Operations, Inc.	Address Line1	500 Corporate Parkway
	Type of Procurement	Other Professional Services	Address Line2	Suite 200
	Award Process	Authority Contract - Non-Competitive Bid	City	BUFFALO
	Award Date	9/1/2022	State	NY
	End Date	3/31/2023	Postal Code	14226
	Fair Market Value	\$8,050.00	Plus 4	
	Amount	\$8,050.00	Province/Region	United States
	Amount Expended For	\$8,050.00	Country	United States
	Fiscal Year		Procurement Description	Targeted local radio and social media advertising
	Explain why the Fair Market Value Is Less than the Amount			

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	United States
	Amount Expended For	\$40,082.50	Country	United States
	Fiscal Year		Procurement Description	Targeted advertising campaigns in local weekly business publication and event sponsorships
	Explain why the Fair Market Value Is Less than the Amount			

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2022

Run Date: 03/06/2023
 Status: UNSUBMITTED
 Certified Date : N/A

3.	Vendor Name	Buffalo Niagara Manufacturing Alliance	Address Line1	683 Northland Avenue
	Type of Procurement	Other	Address Line2	
	Award Process	Non Contract Procurement/Purchase Order	City	BUFFALO
	Award Date		State	NY
	End Date		Postal Code	14211
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For Fiscal Year	\$7,500.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Annual sponsorship

4.	Vendor Name	Buffalo Niagara Partnership	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	\$16,205.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Sponsorship for Diversity & Inclusion assessment, annual membership, event registrations

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2022

Run Date: 03/06/2023
 Status: UNSUBMITTED
 Certified Date: N/A

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

6.	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		Postal Code	14203
	Fair Market Value		Plus 4	
	Amount	\$215,987.00	Province/Region	
	Amount Expended For Fiscal Year	\$40,651.50	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 Renaissance Commerce Park.

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2022

Run Date: 03/06/2023
 Status: UNSUBMITTED
 Certified Date : N/A

7.	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	10/17/2022	Postal Code	14127
	Fair Market Value	\$14,400.00	Plus 4	
	Amount	\$14,400.00	Province/Region	
	Amount Expended For	\$14,400.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Direct hire placement fee.

8.	Vendor Name	Copier Fax Business Technologies, Inc.	Address Line1	465 Ellicott Street
	Type of Procurement	Commodities/Supplies	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	BUFFALO
	Award Date	12/14/2018	State	NY
	End Date	12/14/2023	Postal Code	14203
	Fair Market Value		Plus 4	
	Amount	\$11,059.47	Province/Region	
	Amount Expended For	\$11,059.47	Country	United States
	Fiscal Year		Procurement Description	DocuWare annual maintenance charges (\$7,010.00), and copier charges (\$4,039.47).
	Explain why the Fair Market Value is Less than the Amount			

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2022

Run Date: 03/06/2023
 Status: UNSUBMITTED
 Certified Date: N/A

9.	Vendor Name	Delage Landen Financial Services, Inc.	Address Line1	PO Box 41602
	Type of Procurement	Technology - Hardware	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	PHILADELPHIA
	Award Date	12/14/2018	State	PA
	End Date	2/28/2023	Postal Code	19101
	Fair Market Value		Plus 4	
	Amount	\$5,580.12	Province/Region	
	Amount Expended For Fiscal Year	\$5,580.12	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Lease for office copiers.

10.	Vendor Name	Empire State Development Corporation	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	\$191,269.22	Province/Region	
	Amount Expended For Fiscal Year	\$191,269.22	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: 12/31/2022

Run Date: 03/06/2023
 Status: UNSUBMITTED
 Certified Date : N/A

11.	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	9/30/2022	Postal Code	14202
	Fair Market Value		Plus 4	
	Amount	\$30,500.00	Province/Region	
	Amount Expended For Fiscal Year	\$30,500.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Audit services.

12.	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	1/1/2022	State	NY
	End Date	12/31/2022	Postal Code	10001
	Fair Market Value	\$20,518.80	Plus 4	
	Amount	\$20,518.80	Province/Region	
	Amount Expended For Fiscal Year	\$20,518.80	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Dental insurance for ECIDA employees.

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2022

Run Date: 03/06/2023
 Status: UNSUBMITTED
 Certified Date : N/A

13.	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	5/1/2023	Postal Code	14210
	Fair Market Value		Plus 4	
	Amount	\$41,240.78	Province/Region	
	Amount Expended For Fiscal Year	\$41,240.78	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Legal services.

14.	Vendor Name	Highmark 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	1/1/2022	State	NY
	End Date	12/31/2022	Postal Code	14202
	Fair Market Value	\$18,333.00	Plus 4	
	Amount	\$18,333.00	Province/Region	
	Amount Expended For Fiscal Year	\$18,333.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Health insurance for employees

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2022

Run Date: 03/06/2023
 Status: UNSUBMITTED
 Certified Date : N/A

15.	Vendor Name	Independent Health	Address Line1	511 Farber Lakes Drive
	Type of Procurement	Other	Address Line2	
	Award Process	Authority Contract - Non-Competitive Bid	City	WILLIAMSVILLE
	Award Date	1/1/2022	State	NY
	End Date	12/31/2022	Postal Code	14221
	Fair Market Value	\$202,742.58	Plus 4	
	Amount	\$202,742.58	Province/Region	
	Amount Expended For Fiscal Year	\$202,742.58	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Health insurance for employees

16.	Vendor Name	Innovative Cloud Solutions, LLC	Address Line1	165 Montgomery Road
	Type of Procurement	Technology - Consulting/Development or Support	Address Line2	
	Award Process	Non Contract Procurement/Purchase Order	City	ALTAMONTE SPRINGS
	Award Date		State	FL
	End Date		Postal Code	32714
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For Fiscal Year	\$5,320.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Support and implementation of general ledger software

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2022

Run Date: 03/06/2023
 Status: UNSUBMITTED
 Certified Date : N/A

17.	Vendor Name	Invest Buffalo Niagara	Address Line1	267 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	\$75,000.00	Country	United States
	Fiscal Year		Procurement Description	Membership investment
	Explain why the Fair Market Value Is Less than the Amount			

18.	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	\$6,473.04	Country	United States
	Fiscal Year		Procurement Description	IT services subscription, multi-factor authentication software
	Explain why the Fair Market Value Is Less than the Amount			

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2022

Run Date: 03/06/2023
 Status: UNSUBMITTED
 Certified Date : N/A

19.	Vendor Name	Leadership Buffalo	Address Line1	500 Seneca Street
	Type of Procurement	Other	Address Line2	Suite 304
	Award Process	Non Contract Procurement/Purchase Order	City	BUFFALO
	Award Date		State	NY
	End Date		Postal Code	14204
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For	\$6,755.00	Country	United States
	Fiscal Year		Procurement Description	Program tuition, membership dues
	Explain why the Fair Market Value is Less than the Amount			

20.	Vendor Name	Liro Engineers, Inc.	Address Line1	690 Delaware Avenue
	Type of Procurement	Consulting Services	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	BUFFALO
	Award Date	1/26/2022	State	NY
	End Date		Postal Code	14209
	Fair Market Value		Plus 4	
	Amount	\$116,372.00	Province/Region	
	Amount Expended For	\$8,988.00	Country	United States
	Fiscal Year		Procurement Description	Consulting and planning services related to the Shoreline Trail Enhancement Project.
	Explain why the Fair Market Value is Less than the Amount			

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2022

Run Date: 03/06/2023
 Status: UNSUBMITTED
 Certified Date : N/A

21.	Vendor Name	Lopt Security, LLC	Address Line1	574 Main Street
	Type of Procurement	Technology - Software	Address Line2	Suite 201
	Award Process	Authority Contract - Competitive Bid	City	EAST AURORA
	Award Date	2/1/2020	State	NY
	End Date	1/31/2023	Postal Code	14052
	Fair Market Value		Plus 4	
	Amount	\$6,489.02	Province/Region	
	Amount Expended For Fiscal Year	\$6,489.02	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Cyber security services and virtual security licensing renewal

22.	Vendor Name	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	\$69,190.00	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 (\$68,190.00), cost-benefit analysis tool (\$1,000.00)

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2022

Run Date: 03/06/2023
 Status: UNSUBMITTED
 Certified Date : N/A

23.	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	4/5/2022	State	NY
	End Date	6/6/2022	Postal Code	14221
	Fair Market Value	\$14,629.00	Plus 4	
	Amount	\$14,629.00	Province/Region	
	Amount Expended For Fiscal Year	\$14,629.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Direct hire placement fee

24.	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	4/30/2023	Postal Code	10166
	Fair Market Value	\$12,244.74	Plus 4	
	Amount	\$12,244.74	Province/Region	
	Amount Expended For Fiscal Year	\$12,244.74	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: 12/31/2022

Run Date: 03/06/2023
 Status: UNSUBMITTED
 Certified Date : N/A

25.	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	\$6,603.35	Country	United States
	Fiscal Year		Procurement Description	Workers comp insurance premiums 12/29/22-12/29/23
	Explain why the Fair Market Value Is Less than the Amount			

26.	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	\$12,947.00	Country	United States
	Fiscal Year		Procurement Description	Sponsorships for events (\$6,000), membership dues (\$2,000), event registrations (\$4,947.00)
	Explain why the Fair Market Value Is Less than the Amount			

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2022

Run Date: 03/06/2023
 Status: UNSUBMITTED
 Certified Date : N/A

27.	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	12/31/2021	State	PA
	End Date	12/31/2022	Postal Code	19176
	Fair Market Value		Plus 4	
	Amount	\$81,117.62	Province/Region	
	Amount Expended For Fiscal Year	\$81,117.62	Country	United States
	Explain why the Fair Market Value Is Less than the Amount		Procurement Description	Directors & officers insurance, municipal package insurance, and general liability insurance for 2022 calendar.

28.	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	\$14,482.75	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	2022 & 2023 Calendars (\$8,250), 2021 Annual Report graphic design and printing (\$6,045), poster (\$187.75)

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2022

Run Date: 03/06/2023
 Status: UNSUBMITTED
 Certified Date: N/A

29.	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	\$19,902.75	Country	United States
	Fiscal Year		Procurement Description	Public hearing notices, subscriptions
	Explain why the Fair Market Value is Less than the Amount			

30.	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	\$9,188.77	Country	United States
	Fiscal Year		Procurement Description	Office supplies.
	Explain why the Fair Market Value is Less than the Amount			

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2022

Run Date: 03/06/2023
 Status: UNSUBMITTED
 Certified Date : N/A

31.	Vendor Name	W.H. Green & Associates	Address Line1	400 Quaker Road
	Type of Procurement	Other	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	EAST AURORA
	Award Date	12/31/2021	State	NY
	End Date	12/31/2022	Postal Code	14052
	Fair Market Value		Plus 4	
	Amount	\$23,641.00	Province/Region	
	Amount Expended For Fiscal Year	\$23,641.00	Country	United States
	Explain why the Fair Market Value Is Less than the Amount		Procurement Description	Umbrella and second excess liability coverage for 2022 calendar year

32.	Vendor Name	WNY Commercial Real Estate Services	Address Line1	477 Main Street
	Type of Procurement	Other Professional Services	Address Line2	
	Award Process	Authorly Contract - Competitive Bid	City	BUFFALO
	Award Date	5/28/2013	State	NY
	End Date	6/30/2015	Postal Code	14203
	Fair Market Value		Plus 4	
	Amount	\$34,628.35	Province/Region	
	Amount Expended For Fiscal Year	\$34,628.35	Country	United States
	Explain why the Fair Market Value Is Less than the Amount		Procurement Description	Commission payment stemming from lease extension at ECIDA-owned building.

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2022

Run Date: 03/06/2023
 Status: UNSUBMITTED
 Certified Date : N/A

33.	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	\$21,078.98	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Phone and Internet Services

34.	Vendor Name	World Trade Center Buffalo Niagara, Inc.	Address Line1	683 Northland Avenue
	Type of Procurement	Other	Address Line2	Suite 1109
	Award Process	Non Contract Procurement/Purchase Order	City	BUFFALO
	Award Date		State	NY
	End Date		Postal Code	14211
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For Fiscal Year	\$5,500.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	2021-2022 membership (\$4,000), event sponsorship (\$1,500)

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2022

Run Date: 03/06/2023
Status: UNSUBMITTED
Certified Date : N/A

Additional Comments

ATTACHMENT 8A



Procurement Report for Buffalo and Erie County Regional Development Corporation

Fiscal Year Ending: 12/31/2022

Run Date: 02/24/2023
 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-(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-(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-(9) of the State Finance Law?	Yes	

Procurement Report for Buffalo and Erie County Regional Development Corporation
Fiscal Year Ending: 12/31/2022

Run Date: 02/24/2023
Status: UNSUBMITTED
Certified Date : N/A

Procurement Transactions Listing:

1.	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	\$297,384.25	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.

2.	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	8/31/2022	Postal Code	14202
	Fair Market Value		Plus 4	
	Amount	\$16,050.00	Province/Region	
	Amount Expended For Fiscal Year	\$16,050.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Independent audit services.

Procurement Report for Buffalo and Erie County Regional Development Corporation

Fiscal Year Ending: 12/31/2022

Run Date: 02/24/2023
Status: UNSUBMITTED
Certified Date : N/A

3.	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	5/1/2023	Postal Code	14202
	Fair Market Value		Plus 4	
	Amount	\$62,318.24	Province/Region	
	Amount Expended For Fiscal Year	\$62,318.24	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Legal services related to lending activity.

Additional Comments

Procurement Report for Buffalo and Erie County Industrial Land Development Corporation

Fiscal Year Ending: 12/31/2022

Run Date: 02/24/2023
Status: UNSUBMITTED
Certified Date : N/A

ATTACHMENT 8B

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-(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-(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-(9) of the State Finance Law?	Yes	

Procurement Report for Buffalo and Erie County Industrial Land Development Corporation

Fiscal Year Ending: 12/31/2022

Run Date: 02/24/2023
 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	\$21,747.50	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.

2.	Vendor Name	E & R General Construction Inc.	Address Line1	38 Saint David's Drive
	Type of Procurement	Design and Construction/Maintenance	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	WEST SENECA
	Award Date	4/27/2022	State	NY
	End Date		Postal Code	14224
	Fair Market Value		Plus 4	
	Amount	\$1,474,316.50	Province/Region	
	Amount Expended For Fiscal Year	\$349,013.65	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Construction of 1,550 feet of new roadway ("Road B") at Renaissance Commerce Park.

Procurement Report for Buffalo and Erie County Industrial Land Development Corporation

Fiscal Year Ending: 12/31/2022

Run Date: 02/24/2023
 Status: UNSUBMITTED
 Certified Date : N/A

3.	Vendor Name	Erie County Industrial Development Agency	Address Line1	95 Perry Street
	Type of Procurement	Staffing Services	Address Line2	Suite 403
	Award Process	Non Contract Procurement/Purchase Order	City	BUFFALO
	Award Date		State	NY
	End Date		Postal Code	14203
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For Fiscal Year	\$203,504.95	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, expense reimbursement.

4.	Vendor Name	Foit Albert Associates	Address Line1	295 Main Street
	Type of Procurement	Design and Construction/Maintenance	Address Line2	Suite 200
	Award Process	Authority Contract - Competitive Bid	City	BUFFALO
	Award Date	1/26/2022	State	NY
	End Date		Postal Code	14203
	Fair Market Value		Plus 4	
	Amount	\$287,400.00	Province/Region	
	Amount Expended For Fiscal Year	\$46,934.64	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Engineering, design, and resident engineer services for the construction of new roadways extending into Renaissance Commerce Park from the existing Ridge Road and/or Odell Street.

Procurement Report for Buffalo and Erie County Industrial Land Development Corporation

Fiscal Year Ending: 12/31/2022

Run Date: 02/24/2023
Status: UNSUBMITTED
Certified Date : N/A

5.	Vendor Name	Foit Albert Associates	Address Line1	295 Main Street
	Type of Procurement	Design and Construction/Maintenance	Address Line2	Suite 200
	Award Process	Authority Contract - Competitive Bid	City	BUFFALO
	Award Date	7/28/2021	State	NY
	End Date		Postal Code	14203
	Fair Market Value		Plus 4	
	Amount	\$285,624.91	Province/Region	
	Amount Expended For Fiscal Year	\$262,074.84	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Engineering, design, and resident engineering services for the construction of new road ("Road B") at Renaissance Commerce Park.

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	5/1/2023	Postal Code	14210
	Fair Market Value		Plus 4	
	Amount	\$53,303.01	Province/Region	
	Amount Expended For Fiscal Year	\$53,303.01	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Legal services (LDC General Counsel) based on hourly rates.

Procurement Report for Buffalo and Erie County Industrial Land Development Corporation

Fiscal Year Ending: 12/31/2022

Run Date: 02/24/2023
Status: UNSUBMITTED
Certified Date : N/A

7.	Vendor Name	Lackawanna City Treasurer	Address Line1	714 Ridge Road
	Type of Procurement	Other	Address Line2	
	Award Process	Non Contract Procurement/Purchase Order	City	LACKAWANNA
	Award Date		State	NY
	End Date		Postal Code	14218
	Fair Market Value		Plus 4	
	Amount		Province/Region	
	Amount Expended For Fiscal Year	\$67,334.22	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	City of Lackawanna sewer tax for the Renaissance Commerce Park property.

8.	Vendor Name	Pinto Construction Services, Inc.	Address Line1	132 Dingens Street
	Type of Procurement	Design and Construction/Maintenance	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	BUFFALO
	Award Date	12/22/2021	State	NY
	End Date		Postal Code	14206
	Fair Market Value		Plus 4	
	Amount	\$139,860.00	Province/Region	
	Amount Expended For Fiscal Year	\$31,500.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Construction and installation of entry signage at main entrance of Renaissance Commerce Park.

Procurement Report for Buffalo and Erie County Industrial Land Development Corporation

Fiscal Year Ending: 12/31/2022

Run Date: 02/24/2023
Status: UNSUBMITTED
Certified Date : N/A

9.	Vendor Name	TurnKey Environmental Restoration	Address Line1	2558 Hamburg Turnpike
	Type of Procurement	Design and Construction/Maintenance	Address Line2	Suite 300
	Award Process	Authority Contract - Non-Competitive Bid	City	BUFFALO
	Award Date	5/1/2022	State	NY
	End Date		Postal Code	14218
	Fair Market Value	\$8,543.00	Plus 4	
	Amount	\$8,543.00	Province/Region	
	Amount Expended For Fiscal Year	\$8,543.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Temporary road repairs at Renaissance Commerce Park

10.	Vendor Name	TurnKey Environmental Restoration	Address Line1	2558 Hamburg Turnpike
	Type of Procurement	Other	Address Line2	Suite 300
	Award Process	Authority Contract - Non-Competitive Bid	City	BUFFALO
	Award Date	9/21/2021	State	NY
	End Date	10/31/2021	Postal Code	14218
	Fair Market Value	\$7,165.00	Plus 4	
	Amount	\$7,165.00	Province/Region	
	Amount Expended For Fiscal Year	\$7,165.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Mowing of 62.5 acres at Renaissance Commerce Park

Procurement Report for Buffalo and Erie County Industrial Land Development Corporation

Fiscal Year Ending: 12/31/2022

Run Date: 02/24/2023
Status: UNSUBMITTED
Certified Date : N/A

11.	Vendor Name	Wendel	Address Line1	375 Essjay Road
	Type of Procurement	Consulting Services	Address Line2	Suite 200
	Award Process	Authority Contract - Competitive Bid	City	WILLIAMSVILLE
	Award Date	12/16/2020	State	NY
	End Date		Postal Code	14221
	Fair Market Value		Plus 4	
	Amount	\$420,336.00	Province/Region	
	Amount Expended For	\$61,821.41	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			

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, 2022

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

2022 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, 2022 and were approved by the Board of each corporation on March 22, 2023.

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 22, 2023 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 23, 2022.

Investment Audit:

The auditors for the ECIDA and its affiliates have audited the corporations' compliance with the Investment Guidelines for Public Authorities. In their report dated March __, 2023, Lumsden McCormick LLP 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, 2022

Account Type	Financial Institution	GIL Balance		Interest Rate ^a Dec 2022	2022		Restricted	Purpose
		1/1/2022	12/31/2022		Investment Income	Fees		
1 Checking	M&T Bank	925,947	526,808	0.50%	401	-	✓	General ECIDA Checking account
2 Savings	M&T Bank	6,925,717	6,948,910	2.00%	23,193	-	✓	General ECIDA Savings account
3 Checking	M&T Bank	1,185	11,644	0.50%	29	-	✓	ECIDA UDAG Fund checking/investment account
4 Savings	M&T Bank	10,785,526	10,913,491	2.00%	35,822	-	✓	ECIDA UDAG Fund Savings/investment account
5 Checking	M&T Bank	152,416	206,599	0.50%	153	-	✓	Restricted account for Erie County shortline railroad related activities
6 Savings	M&T Bank	561,316	452,106	2.00%	1,515	-	✓	Restricted account for B.L.C.P., Riverbend and Northland development
7 Savings	M&T Bank	1,846,057	1,820,634	2.00%	6,077	-	✓	Restricted account for North Youngmann Commerce Center & designated Erie County projects
8 Savings	M&T Bank	3,657,506	4,229,566	2.00%	13,128	-	✓	Restricted account for Infrastructure Improvements in the Main Street District
9 Savings	M&T Bank	2,304,585	2,387,879	2.00%	7,961	-	✓	Restricted account for Infrastructure Improvements in the Seneca Street Corridor District
10 Savings	M&T Bank	348,142	427,340	2.00%	1,309	-	✓	Restricted account for infrastructure improvements in the Seneca One Tower District.
		<u>\$ 27,508,396</u>	<u>\$ 27,924,977</u>		<u>\$ 89,588</u>	<u>\$ -</u>		

Notes:

^a The Interest Rate is the annualized rate for the month of December 2022 and is prior to the deduction of any fees.

Buffalo & Erie County Regional Development Corporation (RDC)

Annual Investment Report
For the year ended December 31, 2022

Account Type	Financial Institution	G/L Balance		Interest Rate ^a Dec 2022	2022			Restricted	Purpose
		1/1/2022	12/31/2022		Investment Income	Fees			
1 Checking	M&T Bank	959,469	511,970	0.50%	441	-	✓	Legacy Loan Fund Checking/Investment account	
2 Savings	M&T Bank	6,451,405	4,398,628	2.00%	12,303	-	✓	Legacy Loan Fund Savings/Investment account	
3 Checking	M&T Bank	379,541	345,882	0.50%	230	-	✓	EDA CARES Act Loan Fund Checking account	
		<u>\$ 7,790,415</u>	<u>\$ 5,256,480</u>		<u>\$ 12,973</u>	<u>\$ -</u>			

Notes:

^a The Interest Rate is the annualized rate for the month of December 2022 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, 2022

Account Type	Financial Institution	G/L Balance		Interest Rate ^a Dec 2022	2022			Restricted Purpose
		1/1/2022	12/31/2022		Investment Income	Fees		
1 Checking	M&T Bank	13,947	86,003	0.50%	62	\$ -	✓	Erie County BDF Microenterprise Loan account ^b
2 Checking	M&T Bank	1,022,805	648,525	0.50%	629	-	✓	General ILDC checking account
3 Checking	M&T Bank	1,000,025	520,878	0.50%	442	-	✓	Imprest account for Empire State Development grant ^b
		<u>\$ 2,036,777</u>	<u>\$ 1,255,405</u>		<u>\$ 1,132</u>	<u>\$ -</u>		

Notes:

^a The Interest Rate is the annualized rate for the month of December 2022 and is prior to the deduction of any fees.

^b 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 22nd day of March 2023 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 22nd day of March 2023 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 22nd day of March 2023 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)**

2022 Finance & Audit Committee Self-Evaluation

Responsibilities of the Finance & Audit Committee:

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

Finance & Audit Committee Self-Evaluation	Yes	No	Pen ding	Comments
1. Are the members of the Finance & Audit Committee appointed in accordance with the Bylaws and do individuals appointed to the Finance & Audit Committee possess the necessary skills to understand the duties and functions of the Finance & Audit Committee and are familiar with corporate financial and accounting practices?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
2. Is each member of the Finance & Audit Committee an “independent member” within the meaning of, and to the extent required by, Section 2825 of the New York Public Authorities Law, as amended from time to time? Did Finance & Audit Committee members, who are members of the Agency, comply with the conflict of interest provisions applicable to public officers under Article 18 of the New York General Municipal Law?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3. Did the Finance & Audit Committee meet a minimum of twice each calendar year?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Finance & Audit Committee met on 3/16/22, 4/20/22, 8/19/22, 9/23/22 (no quorum), and 10/17/22.

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 2022, Freed Maxick completed audits of the ECIDA, RDC, and ILDC for the year ended 12/31/21. The auditors issued unmodified (clean) opinions that the statements fairly presented the financial position of the above referenced corporations. The auditors also indicated that the audits did not uncover any material weaknesses in internal control and there were no instances of non-compliance in accordance with government auditing standards.</p>

Finance & Audit Committee Self-Evaluation	Yes	No	Pending	Comments
7. Did the Finance & Audit Committee review management's assessment of the effectiveness of the Agency's internal controls and review the actions taken by management on the independent accountants' and auditors' suggestions for correcting weaknesses in the Agency's internal controls, regulatory compliance, and organizational structure and operations?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Management's assessment of the effectiveness of internal controls was reviewed with the Committee at the 3/16/22 meeting. The March 2022 audit reports did not identify any internal controls or material weaknesses.
8. Did the Finance & Audit Committee: (a) Ensure that the Agency has a confidential mechanism for individuals to report suspected fraudulent activities, allegations of corruption, fraud, criminal activity, conflicts of interest by directors, officers, or employees of the Agency or anyone having business dealings with the Agency? (b) Develop procedures for the receipt, retention, investigation, or referral of complaints concerning accounting, internal controls, and auditing? (c) Request and oversee special investigations as needed or refer specific issues to the Board or appropriate committee for further investigation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The ECIDA adopted a Whistleblower Policy in March of 2012. The Policy describes the process for reporting suspected fraudulent activities and describes the protections afforded to individuals who report suspected fraudulent activities. The Policy was re-adopted by the Board of Directors on 3/23/22.
9. Did the Finance & Audit Committee obtain information and training needed to enhance the committee members' understanding of the role of the independent auditor, the risk management process, internal controls, and appropriate level of familiarity in financial reporting standards and processes?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	On 3/16/22, the Committee received an article entitled, "What's on the horizon for 2022?" published by the Deloitte Center for Board Effectiveness.

Finance & Audit Committee Self-Evaluation	Yes	No	Pending	Comments
<p>10. Did the Finance & Audit Committee:</p> <p>(a) Report its actions and recommendations to the Board?</p> <p>(b) Report to the Board at least annually regarding any changes to the Finance & Audit Committee Charter?</p> <p>(c) Provide a self-evaluation to the Board on an annual basis?</p> <p>(d) Report to the Board at least annually on the findings of its independent auditors?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>The Committee reported its actions and recommendations to the Board following each meeting. On 3/23/22, 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 2021 financial statements audited by Freed Maxick; (4) Corporate Credit Card Policy; (5) 2021 Public Authorities Annual Report; (6) Investment & Deposit Policy; and (7) 2021 Investment Report.</p>

Finance & Audit Committee Self-Evaluation

Other Self-Evaluation Notes

In addition to the above:

- During its 3/16/22 meeting, the Committee reviewed drafts of the 2021 audited financial statements for the ECIDA, RDC, and ILDC. The Committee also reviewed the 2021 PAAA Annual Report, 2021 Investment Reports, Investment & Deposit Policy, Finance & Audit Committee Charter, Corporate Credit Card Policy, the 2021 Finance & Audit Self-Evaluation, 2021 Management's Assessment of Internal Controls, and Corporate Credit Card Usage Report.
- During its 4/20/22 meeting, the Committee approved the City of Buffalo Schools Refunding Bond Series 2022A and recommended that the ECIDA board approve of same. The Committee also received updates on the 2022 budget.
- During its 8/19/22 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 2023 ECIDA, RDC, and ILDC operating and capital budgets and three-year forecasts. The ECIDA staff present the 2021 single audit report to the Committee. The draft reported resulted in a "clean" audit of ECIDA. The report was forwarded to the Board for approval.
- During the 10/17/22 meeting, the Committee approved a motion was made to forward the 2023 ECIDA, RDC and ILDC Budgets to the Boards of each entity for ultimate approval. The Committee approved tax-exempt bond issuances for Ellicott Park Townhomes Community Partners, LP and OAHS Tonawanda TC, LLC be forwarded to the ECIDA board for approval.



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

2022 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.

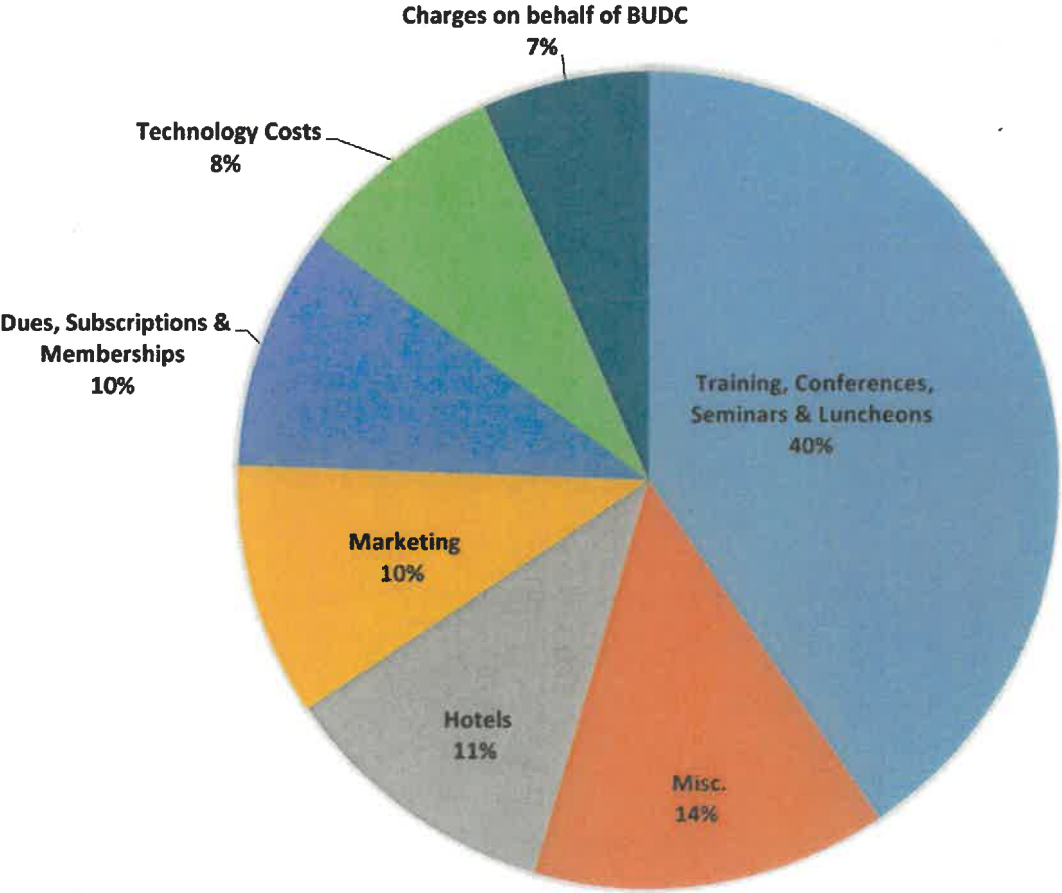
The ECIDA, RDC and ILDC undergo annual financial statement audits by an independent accounting firm, in accordance with Government Auditing Standards. While auditors are not engaged to perform an audit of internal controls, the auditors do review and test internal controls as part of their audit procedures. 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, 2022. 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 3/6/2022 to 2/6/2023

Training, Conferences, Seminars & Luncheons	\$ 8,214
Misc.	2,855
Hotels	2,246
Marketing	2,029
Dues, Subscriptions & Memberships	1,950
Technology Costs	1,661
Charges on behalf of BUDC	1,344
	<u>\$ 20,299</u>





Center for Board Effectiveness

On the audit committee's agenda 2023: The year of the risk-centric agenda

The audit committee's role in risk oversight

Predicting the future is difficult, particularly in times of change and uncertainty. However, it seems safe to predict that the 2023 agendas of many audit committees will be risk-centric.

Of course, risk oversight is among the most important—if not **the** most important—of the audit committee's responsibilities. While the audit committee is not responsible for overseeing all of a company's risks, it is often responsible for oversight of the company's risk oversight policies and processes, principally the enterprise risk program. This program, which management leads, entails identifying key risks across the organization, from financial risks to workforce risks and from risks due to raw material shortages to risks arising from natural disasters and other crises. In other words, except in cases where a company has a risk committee,¹ the audit committee oversees the process of evaluating and managing risks that could pose a threat to the company's viability and success.

According to the latest *Audit Committee Practices Report* published by Deloitte and the Center for Audit Quality, 43% of the total respondents surveyed said that the audit committee has primary oversight responsibility for enterprise risk management.

However, the audit committee's responsibility for risk oversight goes beyond understanding and advising with regard to the creation and implementation of a sound enterprise risk program. The committee is charged with understanding and advising on how management continuously identifies, monitors, and assesses risks and ensuring that material risks are allocated to the full board or the appropriate committee. And the audit committee is itself responsible for overseeing key areas of risk, such as risks that impact financial reporting and disclosure, including internal controls and fraud. ➤

1. The Sarbanes-Oxley Act of 2002 mandated the formation of risk committees at certain large financial institutions. However, risk committees have not become prevalent in other companies. According to the 2022 U.S. Spencer Stuart Board Index, only 12% of the S&P 500 had such committees.



Areas of risk oversight in 2023

For many, the number and severity of risks seem to increase daily, suggesting that in 2023 the audit committee will increasingly need to focus on its risk oversight responsibilities. A complete list of the risks to be overseen in 2023 might be very lengthy, but a survey reported in the *Audit Committee Practices Report* suggests that the following areas are most likely to be the subjects of audit committee risk oversight in 2023: disclosure, including financial reporting, internal controls, and fraud; cybersecurity; effectiveness of the enterprise risk management program; environmental, social, and governance (ESG) reporting and disclosure; inflation; and digital transformation. We address some of these, as well as other risks, below.



Financial reporting and disclosure²

As noted above, disclosure is one of the risk areas for which the audit committee has primary responsibility. This responsibility stems from a number of legal requirements; for example, the U.S. Securities and Exchange Commission (SEC) rules require disclosure as to whether the audit committee recommends to the full board the inclusion of a company's financial statements in its annual report on Form 10-K. Another example is the Sarbanes-Oxley Act and related SEC rules, which give the audit committee sole responsibility for hiring, monitoring, compensating, and (where appropriate) firing the independent auditors. The audit committee also has oversight responsibility for the internal audit function. Flowing from these requirements and practices, the audit committee is the repository of the most knowledge of and familiarity with disclosure requirements, including concepts such as materiality.

These and other areas relating to disclosure are likely to be in the spotlight in 2023, in part because of ongoing enforcement efforts by the SEC and other government agencies, investor and media scrutiny, and other factors, including historical evidence that recessionary economies and market volatility tend to increase levels of fraud. In fact, in November 2022, the SEC's acting chief accountant stated that "[t]he current economic environment is subject to significant uncertainties and, historically, that oftentimes leads to heightened fraud risk."³ In an earlier speech, he also said that "auditors ... have a responsibility to consider fraud and to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by fraud or error."⁴ Other economic factors that could result in enhanced SEC scrutiny include inflation and fluctuations in foreign exchange rates.

The anticipated focus on disclosure in 2023 is also likely to be affected by new rules that may be adopted by the SEC. Under the leadership of Chair Gensler, the SEC has proposed a number of rules that will, if adopted, expand disclosures in areas such as cybersecurity and climate change. And the SEC is widely expected to propose rules calling for added disclosure in several areas, including human capital, emerging technologies, and cryptocurrencies, among others.

In short, disclosure and financial reporting are likely to be priority items on the 2023 agendas of many audit committees. ➔

2. The survey sought information regarding risks other than those associated with financial reporting and internal controls.

3. Jean Eaglesham, "SEC accountant warns of heightened fraud risk amid recession fears, market selloff," Wall Street Journal, November 3, 2022.

4. Paul Munter, "The auditor's responsibility for fraud detection," US Securities and Exchange Commission, October 11, 2022.

Enterprise risk management

Oversight of enterprise risk management (ERM)—the processes used to identify, monitor, and assess risks—has been on the audit committee's agenda for many years. However, this oversight role may require extra vigilance in 2023, as the pace of change and the challenges faced by companies seem to increase daily. A key component of this oversight is the receipt and review by the committee of a dashboard showing material risks and the degree of risk associated with each (e.g., red, yellow, and green), as well as which risks are trending up and down. In addition, the committee should consider new and emerging risks that have been added to the dashboard or that may be added in the future.

Aside from general oversight, the audit committee needs to assess whether the ERM process is evolving to meet the challenges of the day. An ERM program that has worked well for several years may generate complacency or may fail to identify new risks or to sense emerging risks, both internal and external, or their potential impact on the company. Accordingly, the committee may need to reevaluate the efficacy of the program or some of its components. The committee may also need to consider whether employee departures or other developments have impaired the resources needed to properly execute the ERM program.

Cybersecurity and other technology matters

Cybersecurity has been at the top of many audit committees' lists of key risks for several years and shows no signs of going away or becoming less significant. In fact, the *Audit Committee Practices Report* suggests that cybersecurity will be an increasingly important area of focus for audit committees in the future. Moreover, the report indicates that a majority of the companies surveyed allocate oversight responsibility for cybersecurity to their audit committees. Cybersecurity risk is also likely to loom large in 2023 due to the expected adoption of final SEC rules requiring extensive disclosure on the topic, including whether any member of the board of directors has cybersecurity expertise. Given the prominent role that many audit committees have in cybersecurity risk oversight, the adoption of the latter requirement may impact audit committee succession planning in 2023 and beyond.

Cybersecurity risks are not the only technology-driven risks that may call for greater audit committee oversight in 2023. As the use of artificial intelligence grows—and, with it, concerns about data privacy, ethical implications of artificial intelligence, and other matters—audit committees will be expected to address associated risks, in some cases including areas for which the audit committee may have primary responsibility.

Additional risks associated with technology include the possibility that a line of business—possibly the principal line of business in which the company engages—will be subject to disruption by a new technology and risks that can result from unethical practices in the use of artificial intelligence.



Environmental and climate change

While audit committees may not have primary responsibility for overseeing risks associated with climate change and other environmental matters—the *Audit Committee Practices Report* indicates that only 34% of the companies surveyed allocate this responsibility to their audit committees—they have significant responsibility for evaluating disclosures and controls relating to ESG issues. The nature and extent of environmental and climate change disclosures may depend upon the proposed rules on the topic in 2022. However, companies have already begun to provide extensive disclosures on their environmental activities, the risks they face from climate change, and a host of related matters, and it seems likely that even if the SEC rules are not adopted as proposed or at all, companies will provide expanded disclosure on the subject. Particularly, the new European Union (EU) rules will require ESG reporting on a broader set of ESG topics than those required under current and proposed SEC rules and will scope in certain companies that previously were not subject to mandatory nonfinancial reporting requirements, including public and private non-EU companies that meet certain EU-presence thresholds. Given the audit committee's key role in disclosure oversight, discussed above, any increase in environmental and climate change disclosures (or even broader ESG disclosed metrics) will add to the audit committee's responsibilities. According to the *Audit Committee Practices Report*, only 6% of the respondents said that audit committees are responsible for the oversight of ESG strategy, including climate and carbon commitments. However, regardless of whether audit committees take on a larger role in these areas, they will be responsible for determining whether their companies' internal and disclosure controls are adequate to address the matters in question.

Even in the absence of increased requirements, the SEC has commented on some companies' disclosures of environmental and climate change matters. For example, a number of companies that publish ESG or sustainability reports that are not filed with the SEC have received comments asking why disclosures in such reports differ from those in the companies' SEC filings. ➔

Another area of audit committee involvement with environmental and climate change matters relates to the inclusion of quantitative environmental or climate change metrics in companies' executive compensation plans. While these plans are largely within the jurisdiction of the compensation committee, the audit committee may have a role to play in determining which metrics to use, whether and how achievement of the metrics and the precise impact on compensation can be measured, and the disclosures on these areas. Moreover, to the extent that companies provide third-party assurance as to the computation of the metrics and the impact on compensation, the audit committee is likely to have a role in determining the type of assurance that can be provided as well as who should provide it. Such assurance can provide positive signals to investors and others regarding the quality and reliability of disclosures, and audit committees will have a key role in overseeing assurance engagements.

Post-pandemic challenges: Supply chain disruption, workforce shortages, and inflationary pressure

Effects of the economic and other challenges resulting from the pandemic continue to roil companies and their operations. Disruptions in global supply chains continue to plague industries from manufacturing to consumer goods to health care. The audit committee will need to exercise oversight with regard to how management is addressing the risks associated with supply chain disruptions and how the company satisfies the needs of a wide variety of stakeholders despite the inability to provide products or services in a timely manner.

Companies in a wide range of industries, regardless of size or other characteristics, are experiencing workforce shortages, whether due to historically low rates of unemployment, the so-called "great resignation," or other factors. As with supply chain challenges, audit committees will need to stay on top of how their companies are dealing with such shortages, the extent to which critical functions may not be adequately addressed, and/or how the company is seeking to alleviate workforce shortages or the problems they create, particularly as these shortages impact the finance and audit functions.

For many companies and their employees, the word "inflation" was meaningless, as global inflationary pressures have not been felt for many years. Depending upon the industry, the geographic locations of operations, and other factors, the impact of inflation may have different effects; however, most if not all companies must deal with it in one way or another, and the audit committee will be particularly sensitive to the impact of inflation on financial performance and related disclosures. A related concern, referred to above, is that incidents of accounting fraud tend to increase during times of economic volatility and uncertainty, and audit committees therefore need to be sensitive to that risk, as well.

Wrapping it all up

Of course, the foregoing is a summary of just some of the risk areas that audit committees will likely oversee in 2023. There are many other risk areas, including human capital, geopolitical instability, and energy price volatility, to name just a few, that will almost certainly call for audit committee oversight in the coming year. It is also likely if not certain that new risks will emerge as the year progresses. To the extent that the audit committee's responsibilities are so broad and that boards and management alike tend to assign new and emerging areas of risk to the audit committee, it is not surprising that the committee has sometimes been referred to as the "kitchen sink" committee. However, given the importance of its responsibilities with regard to risk oversight—among many other areas—that nickname should be regarded as a badge of honor. In any case, audit committees will continue to have vast responsibilities in 2023 and beyond.



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