



**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 21, 2024 @ 10:00 a.m.**

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

1. Approval of Minutes – February 22, 2024 (Action) (Pages 2-3)
2. Draft 2023 ECIDA Audited Financial Statements & Management Letter (Action) (Pages 4-30)
3. Draft 2023 RDC Audited Financial Statements (Action) (Pages 31-56)
4. Draft 2023 ILDC Audited Financial Statements (Action) (Pages 57-83)
5. 2023 PAAA Annual Report (Action) (Action) (Pages 84-151)
6. 2023 Investment Reports (Action) (Pages 152-156)
7. Re-Adoption of ECIDA/RDC/ILDC Policies (Action Items)
 - a) Investment and Deposit Policy (Re-adoption) (Action) (Pages 157-164)
 - b) Finance & Audit Committee Charter (Re-adoption) (Action) (Pages 165-169)
 - c) Corporate Credit Card Policy (Re-adoption) (Action) (Pages 170-172)
8. 2023 Finance & Audit Committee Self-Evaluation (Action) (Pages 173-177)
9. 2023 Management’s Assessment of Internal Controls (Informational) (Pages 178-179)
10. Corporate Credit Card Usage Report (Informational) (Page 180)
11. New Business (Informational) (Pages 181-185)
12. 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: February 22, 2024, at the Erie County Industrial Development Agency, 95 Perry Street, Suite 403, Buffalo, New York 14203

PRESENT: Penny Beckwith, Allison DeHoney, Mr. Glenn R. Nellis Paul Vukelic and William Witzleben

ABSENT: Denise McCowan and Michael Szukala

OTHERS PRESENT: John Cappellino, President & CEO; Atiqah Abidi, Assistant Treasurer; Brian Krygier, Director of Information Technology; Grant Lesswing, Director of Business Development; Carrie Hocieniec, Operations Assistant; Pat Smith, Bookkeeper and Robert G. Murray, Esq., General Counsel/Harris Beach PLLC

GUESTS: Nicholas Fiume on behalf of D'Youville College

There being a quorum present at 10:06 a.m., the Meeting of the Members of the Joint Finance & Audit Committee of the Erie County Industrial Development Agency, Buffalo and Erie County Regional Development Corporation and the Buffalo and Erie County Industrial Land Development Corporation was called to order by Mr. Cappellino, who presided over the meeting in the absence of Chair Szukala.

MINUTES

The January 9, 2024 minutes of the joint meeting of the Finance and Audit Committee were presented. Upon motion made by Mr. Witzleben and seconded by Ms. Beckwith, and after a vote was called for by Mr. Cappellino, the January 9, 2024 minutes of the Finance and Audit Committee were unanimously approved.

D'YOUVILLE COLLEGE – ILDC BOND

Ms. Abidi described the contemplated project. Mr. Fiume from D'Youville further described the creation of the new D'Youville University Medical School and the uses of the ILDC taxable bond proceeds.

Mr. Nellis moved and Mr. Witzleben seconded to approve of the proposed project. Mr. Cappellino called for the vote and the following resolution was unanimously approved:

D'YOUVILLE COLLEGE – ILDC BOND (CON'T)

RESOLUTION OF THE MEMBERS OF THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION (THE “ILDC”) FINANCE & AUDIT COMMITTEE RECOMMENDING THAT THE ILDC FINANCE CERTAIN COSTS RELATING TO, AND APPROVING THE UNDERTAKING OF A CERTAIN PROJECT DESCRIBED BELOW AT THE REQUEST OF D'YOUVILLE UNIVERSITY AND THE GRANTING OF CERTAIN FINANCIAL ASSISTANCE IN CONNECTION THEREWITH, INCLUDING THE ISSUANCE OF THE ILDC'S TAXABLE BONDS IN AN AGGREGATE AMOUNT NOT TO EXCEED \$48,000,000 FOR THE PURPOSES OF UNDERTAKING THE PROJECT AND FUNDING THE COSTS OF SUCH ISSUANCE

2023 AUDIT ENGAGEMENT LETTER

Ms. Abidi reviewed the Lumsden McCormick LLP ECIDA, ILDC and RDC audit engagement letter.

There being no further business to discuss, Mr. Cappellino adjourned the meeting at 10:40 a.m.

Dated: February 22, 2024

Elizabeth A. O'Keefe, Secretary

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COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

March 21, 2024

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, 2023. 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 19, 2024, 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. There have been no initial selections of accounting policies and no changes in significant accounting policies or their application during 2023. 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, 2023.

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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 21, 2024

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, 2023, 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, 2023

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ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Table of Contents

December 31, 2023

Independent Auditors' Report

Management's Discussion and Analysis

Financial Statements

Balance Sheets

Statements of Revenues, Expenses, and Changes in Net Position

Statements of Cash Flows

Notes to Financial Statements

Supplementary Information

Combining Schedule of Balance Sheets

Combining Schedule of Revenue, Expenses, and Changes in Net Position

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
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 years ended December 31, 2023 and 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, 2023 and 2022, and the changes in its financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis For Opinion

We conducted our audits 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 audits. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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.

Required Supplementary Information

GAAP requires 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 an opinion 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 21, 2024 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 the effectiveness of ECIDA's 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 21, 2024

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ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Management's Discussion and Analysis (unaudited)

December 31, 2023

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, 2023, 2022, and 2021. We encourage readers to consider the information presented here in conjunction with ECIDA'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 ECIDA owns (assets and deferred outflows of resources) and what ECIDA owes (liabilities and deferred inflows of resources). ECIDA's assets and deferred outflows of resources less 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 net position decreased by 2% from \$20,638,000 in 2022 to \$20,140,000 in 2023.
- ECIDA experienced a decrease in net position of \$498,000 in 2023 compared to \$228,000 in 2022.
- Administrative fees, a key source of revenue for ECIDA, increased 6% from \$1,656,000 in 2022 to \$1,750,000 in 2023.
- Operating expenses increased 4% from \$2,946,000 in 2022 to \$3,077,000 in 2023.

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Condensed Comparative Financial Statements

Balance Sheets at December 31:

<i>in thousands</i>	2023	2022	\$ Change	% Change	2021
Assets					
Cash	\$ 13,704	\$ 18,401	\$ (4,697)	(26%)	\$ 18,638
Receivables and other assets	11,234	2,467	8,767	355%	3,121
Capital assets, net	1,507	1,166	341	29%	1,422
Restricted cash	9,777	9,524	253	3%	8,870
Total assets	36,222	31,558	4,664	15%	32,051
Liabilities					
Other liabilities	\$ 5,741	\$ 958	\$ 4,783	499%	\$ 1,614
Funds held on behalf of others	9,516	9,318	198	2%	8,718
Total liabilities	15,257	10,276	4,981	48%	10,332
Deferred inflows of resources – leases	825	644	181	28%	853
Net position					
Net investment in capital assets	985	1,040	(55)	(5%)	1,134
Restricted	11,116	11,332	(216)	(2%)	11,435
Unrestricted	8,039	8,266	(227)	(3%)	8,297
Total net position	20,140	20,638	(498)	(2%)	20,866
Total liabilities, deferred inflows, and net position	\$ 36,222	\$ 31,558	\$ 4,664	15%	\$ 32,051

Receivables and other assets include grants receivable, affiliate receivables, leases receivable, prepaid expenses, and venture capital investments. The increase of \$8,767,000 is the result of significant increases in grants receivable and affiliate receivables. ECIDA was awarded three new grants totaling \$4,420,000 in 2023. Affiliate receivables increased from \$644,000 to \$4,869,000 due to funds borrowed by the Buffalo & Erie County Industrial Land Development Corporation (ILDC) for development costs that will be reimbursed through grant agreements. The decrease from 2021 to 2022 was the result of cash received from grant agreements, building leases, and affiliates.

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 \$253,000 or 3% increase from 2022 is primarily due to PILOT and PIF receipts of \$1,836,000 and interest of \$223,000 exceeding required disbursements to municipalities of \$662,000 and eligible project funds of \$1,199,000. Restricted cash also includes \$261,000 for the Railway Trust Fund, which increased \$54,000 from 2022. The \$654,000, or 7%, increase in 2022 over 2021 was due to receipts in excess of required disbursements to municipalities.

The \$4,783,000 increase in other liabilities is due to increases in unearned revenue of \$4,121,000, lease payable of \$395,000, and accounts payable of \$268,000. Unearned revenue is offset by grants receivable and is recognized as special project revenue as eligible activities are performed. ECIDA's office space lease expired during 2023 and a new lease is in effect through July 2027. The lease payable is the present value of lease payments through the end of the lease. The decrease from 2021 to 2022 was due to decreases in accounts payable, unearned revenue, and leases payable.

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. The \$181,000 or 28% increase in deferred inflows of resources related to leases is due to a new lease agreement signed in 2023 to extend Buffalo Urban Development Corporation's sublease for a portion of ECIDA's office lease through July 2027.

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

<i>in thousands</i>	2023	2022	\$ Change	% Change	2021
Operating revenues:					
Administrative fees	\$ 1,750	\$ 1,656	\$ 94	6%	\$ 2,419
Affiliate management fees	287	466	(179)	(38%)	419
Rental and other	475	438	37	8%	405
Total operating revenues	2,512	2,560	(48)	(2%)	3,243
Operating expenses:					
Salaries and benefits	2,035	1,999	36	2%	1,905
General and administrative	794	687	107	16%	564
Depreciation, amortization, and other	248	260	(12)	(5%)	265
Total operating expenses	3,077	2,946	131	4%	2,734
Special project grants:					
Revenues	518	966	(448)	(46%)	5,484
Expenses	(855)	(896)	41	(5%)	(6,228)
Total special project grants	(337)	70	(407)	(581%)	(744)
Operating loss	(902)	(316)	(586)	185%	(235)
Nonoperating revenue (expense), net	404	88	316	359%	40
Change in net position	(498)	(228)	(270)	118%	(195)
Net position – beginning	20,638	20,866	(228)	(1%)	21,098
Restatement – GASB 87	-	-	-	N/A	(37)
Net position – ending	\$ 20,140	\$ 20,638	\$ (498)	(2%)	\$ 20,866

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 increased \$94,000 or 6% in 2023 primarily due to an increase in the value of induced projects. Administrative fees were collected related to 22 different projects in 2023, down from 25 in 2022. In 2021, administrative fees were collected related to 31 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 ILDC, a land development corporation. Affiliate management fees decreased \$179,000 in 2023 due to a decrease in chargeable hours.

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 \$36,000, or 2%, in 2023 due to employee raises and a new employee hired in December 2023. In 2022, salaries and benefits increased \$94,000 from 2021 due to employee raises and performance incentives.

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General and administrative expenses increased \$107,000 from \$687,000 in 2022 to \$794,000 in 2023 primarily due to refunds of \$176,000 for previously recognized administrative fee revenue. The final project budget or incentive package was below initial estimates and the fee due to ECIDA was reduced accordingly. In 2022, general and administrative expenses increased \$123,000 primarily due to an \$89,000 refund for previously recognized administrative fee revenue.

Net special project grants decreased from net income of \$70,000 in 2022 to a net loss of \$337,000 in 2023. In 2023, grant expenses exceeded grant revenues due to carrying costs related to ILDC properties of \$210,000 and other grants from the Agency's Urban Development Action Grant (UDAG) fund. In 2022, grant revenues mostly equaled grant expenses as ECIDA passed through Erie County funds of \$385,000 to ILDC and \$198,000 of CARES Act funds to RDC.

Net nonoperating revenue increased \$316,000 in 2023 due to higher interest income earned on ECIDA's deposit accounts. Interest income of \$412,000 was offset by \$8,000 of interest expense related to ECIDA's office lease. In 2022, net nonoperating revenue increased \$48,000.

Budget Analysis

ECIDA prepares an annual budget which was presented and approved by the Board of Directors on October 26, 2022. The following table presents an analysis of ECIDA's performance compared to the approved 2023 budget.

<i>in thousands</i>	Actual	Budget	Variance \$	%
Operating revenues:				
Administrative fees	\$ 1,750	\$ 1,800	\$ (50)	(3%)
Affiliate management fees	287	500	(213)	(43%)
Rental and other	475	504	(29)	(6%)
Total operating revenues	2,512	2,804	(292)	(10%)
Operating expenses:				
Salaries and benefits	2,035	2,096	(61)	(3%)
General and administrative	794	734	60	8%
Depreciation, amortization, and other	248	129	119	92%
Total operating expenses	3,077	2,959	118	4%
Operating loss before special project grants	(565)	(155)	(410)	265%
Special project grants:				
Revenues	518	982	(464)	(47%)
Expenses	(855)	(1,770)	915	(52%)
Total special project grants	(337)	(788)	451	(57%)
Nonoperating revenue, net	404	6	398	6,633%
Change in net position	\$ (498)	\$ (937)	\$ 439	(47%)

Budget to Actual Analysis

Overall, ECIDA's decrease in net position for 2023 was below the budgeted decrease by \$439,000. Administrative fees were 3% less than the budgeted amount due mainly to timing of tax incentive project closings. Total operating expenses were \$118,000 over budget mostly due to administrative fee refunds discussed previously. Net special project grants had a positive variance of \$451,000. Nonoperating revenue includes interest income on cash deposits and was \$398,000 greater than expected.

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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,	2023	2022
Assets		
Current assets:		
Cash	\$ 13,704,390	\$ 18,400,853
Receivables		
Affiliates	4,819,703	471,011
Grants	4,869,218	644,183
Leases	215,555	200,724
Other	134,930	111,376
Prepaid expenses	78,600	89,319
	<u>23,822,396</u>	<u>19,917,466</u>
Noncurrent assets:		
Leases receivable	609,283	443,203
Capital assets, net (Note 4)	1,506,504	1,166,361
Other assets	506,886	506,886
Restricted cash	9,777,101	9,524,124
	<u>12,399,774</u>	<u>11,640,574</u>
	<u>\$ 36,222,170</u>	<u>\$ 31,558,040</u>
Liabilities and Net Position		
Current liabilities:		
Accounts payable	\$ 304,991	\$ 37,003
Lease payable	136,321	126,166
Accrued expenses	150,339	151,856
Unearned revenue	4,764,541	643,647
	<u>5,356,192</u>	<u>958,672</u>
Noncurrent liabilities:		
Lease payable	385,321	-
Funds held on behalf of others	9,516,218	9,317,525
	<u>9,901,539</u>	<u>9,317,525</u>
Deferred inflows of resources:		
Deferred inflows of resources related to leases	824,838	643,927
Net position:		
Net investment in capital assets	984,862	1,040,195
Restricted	11,116,183	11,331,382
Unrestricted	8,038,556	8,266,339
	<u>20,139,601</u>	<u>20,637,916</u>
	<u>\$ 36,222,170</u>	<u>\$ 31,558,040</u>

See accompanying notes.

9

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ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Statements of Revenues, Expenses, and Changes in Net Position

For the years ended December 31,	2023	2022
Operating revenues:		
Administrative fees	\$ 1,749,882	\$ 1,656,279
Affiliate management fees	286,799	465,692
Rental income	316,002	308,450
Other	159,191	129,643
Total operating revenues	<u>2,511,874</u>	<u>2,560,064</u>
Operating expenses:		
Salaries and benefits	2,035,058	1,999,345
General and administrative	794,392	687,125
Depreciation and amortization	204,228	258,776
Other	43,207	1,354
Total operating expenses	<u>3,076,885</u>	<u>2,946,600</u>
Operating loss before special project grants	<u>(565,011)</u>	<u>(386,536)</u>
Special project grants:		
Revenues	517,991	965,710
Expenses	(855,228)	(895,280)
	<u>(337,237)</u>	<u>70,430</u>
Operating loss	<u>(902,248)</u>	<u>(316,106)</u>
Nonoperating revenues:		
Interest income	412,432	102,271
Interest expense	(8,499)	(14,419)
	<u>403,933</u>	<u>87,852</u>
Change in net position	<u>(498,315)</u>	<u>(228,254)</u>
Net position - beginning	<u>20,637,916</u>	<u>20,866,170</u>
Net position - ending	<u>\$ 20,139,601</u>	<u>\$ 20,637,916</u>

See accompanying notes.

10

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ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Statements of Cash Flows

For the years ended December 31,	2023	2022
Operating activities:		
Cash from fees and rental income	\$ 2,065,884	\$ 1,964,729
Cash from special project grants	413,850	955,653
Cash received from (paid to) other sources	(3,926,256)	880,247
Payments to employees, suppliers, and other	(2,595,467)	(3,011,366)
Payments for special project grants	(855,228)	(895,280)
Net operating activities	(4,897,217)	(106,017)
Capital and related financing activities:		
Purchases of capital assets	(11,643)	(2,959)
Principal payments on leases	(137,252)	(162,214)
Interest payments on leases	(8,499)	(14,419)
Interest received on leases	43,976	42,673
Net capital and related financing activities	(113,418)	(136,919)
Investing activities:		
Change in restricted cash, net	(54,284)	(54,183)
Interest received	368,456	59,598
Net investing activities	314,172	5,415
Net change in cash	(4,696,463)	(237,521)
Cash - beginning	18,400,853	18,638,374
Cash - ending	\$ 13,704,390	\$ 18,400,853
Reconciliation of operating loss to net cash flows from operating activities:		
Operating loss	\$ (902,248)	\$ (316,106)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Depreciation and amortization	204,228	258,776
Changes in other assets and liabilities:		
Receivables	(8,597,281)	504,202
Prepaid expenses	10,719	(59,772)
Accounts payable	267,988	(265,015)
Accrued expenses	(1,517)	1,245
Unearned revenue	4,120,894	(229,347)
Net operating activities	\$ (4,897,217)	\$ (106,017)

See accompanying notes.

11

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ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

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 (GAAP) 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 GAAP 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. Investments 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, ECIDA's deposits may not be returned to it. At December 31, 2023 and 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, 2023 and 2022, the entire loan is reserved with \$100,000 installments forgiven annually through 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 related liabilities. Restrictions are imposed by the U.S. Department of Housing and Urban Development's Urban Development Action Grant (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.

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Tax Incentive Transactions

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

ECIDA is an issuer of tax-exempt bond financing for qualified manufacturers and low-income housing projects which meet 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, 2023 and 2022, previously issued bonds have an aggregate outstanding balance of \$574,130,953 and \$540,645,622, none of which is recognized as a liability of ECIDA.

ECIDA received \$10,000 and \$105,000 in administrative fees from ILDC in 2023 and 2022.

2. Special Project Grants:

Bethlehem Shoreline Enhancement – ECIDA received a grant from New York State 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.

Bethlehem Railroad Relocation – ECIDA received a grant from Erie County in the amount of \$600,000 in June 2023 to support the relocation of rail infrastructure at the former Bethlehem Steel Property.

Buffalo Southern Railroad – ECIDA received a \$1,703,553 grant from New York State Department of Transportation (NYSDOT) in January 2023 and a \$250,000 grant from Erie County in July 2023 to support the restoration of five bridges and seven miles of track on the Buffalo Southern Railroad.

DL&W Lancaster Industrial Track Improvement – ECIDA received a \$1,616,470 grant from NYSDOT in April 2023 and a \$250,000 grant from Erie County in September 2023 to support the restoration of the DL&W Lancaster Industrial Track.

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

	2023	2022
Bethlehem Shoreline Enhancement	\$ 92,119	\$ 92,119
Bethlehem Water and Sewer Design	356,936	545,566
Buffalo Southern Railroad - 2017		
PFRAP Rail Improvement	140	140
Sumitomo Dunlop Rail - PFRAP	-	6,358
Bethlehem Railroad Relocation	600,000	-
Buffalo Southern Railroad	1,953,553	-
DL&W Lancaster Industrial Track Improvement	1,866,470	-
	<u>\$ 4,869,218</u>	<u>\$ 644,183</u>

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

	2023	2022
Bethlehem Shoreline Enhancement	\$ 77,652	\$ 108,152
Bethlehem Water and Sewer Design	267,335	535,495
Bethlehem Railroad Relocation	600,000	-
Buffalo Southern Railroad	1,953,084	-
DL&W Lancaster Industrial Track Improvement	1,866,470	-
	<u>\$ 4,764,541</u>	<u>\$ 643,647</u>

3. 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:

	2023	2022
Erie County Regional Redevelopment Fund	\$ 1,624,407	\$ 1,820,634
Buffalo Brownfields Redevelopment Fund	236,191	452,106
Jemal's Seneca Fund	794,606	427,340
Seneca Street Corridor Fund	3,086,042	2,387,879
Main Street Improvement Fund	3,774,972	4,229,566
	<u>\$ 9,516,218</u>	<u>\$ 9,317,525</u>

Restricted cash also includes \$260,883 and \$206,599 as of December 31, 2023 and 2022, respectively, for the Railway Trust Fund for activities related to two Erie County shortline railroads.

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4. Capital Assets:

	Balance January 1, 2023	Increases	Retirements/ Reclassifications	Balance December 31, 2023
Land	\$ 167,400	\$ -	\$ -	\$ 167,400
Depreciable capital assets:				
Land improvements	1,109,345	-	-	1,109,345
Buildings	2,747,489	-	-	2,747,489
Furniture and equipment	470,145	11,643	-	481,788
Total depreciable assets	4,326,979	11,643	-	4,338,622
Less accumulated depreciation:				
Land improvements	(934,700)	(30,033)	-	(964,733)
Buildings	(2,062,507)	(36,043)	-	(2,098,550)
Furniture and equipment	(441,423)	(15,433)	-	(456,856)
Total accumulated depreciation	(3,438,630)	(81,509)	-	(3,520,139)
Total depreciable assets, net	888,349	(69,866)	-	818,483
Right-to-use lease assets:				
Building	737,415	532,728	(737,415)	532,728
Accumulated amortization	(626,803)	(122,719)	737,415	(12,107)
Total right-to-use assets, net	110,612	410,009	-	520,621
	\$ 1,166,361	\$ 340,143	\$ -	\$ 1,506,504
	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	4,324,020	2,959	-	4,326,979
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	(3,327,337)	(111,293)	-	(3,438,630)
Total depreciable assets, net	996,683	(108,334)	-	888,349
Right-to-use lease assets:				
Building	737,415	-	-	737,415
Accumulated amortization	(479,320)	(147,483)	-	(626,803)
Total right-to-use assets, net	258,095	(147,483)	-	110,612
	\$ 1,422,178	\$ (255,817)	\$ -	\$ 1,166,361

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5. Related Party Transactions:

ECIDA historically allocated a portion of personnel and rental costs to its affiliates, RDC and ILDC. In 2023, ECIDA chose to discontinue allocation of personnel and overhead costs to ILDC unless a corresponding revenue source is identified. ECIDA earned \$286,799 and \$465,692 in affiliate management fees for the years ended December 31, 2023 and 2022. Management fees and receivables by affiliate are as follows:

	Management Fees		Receivables	
	2023	2022	2023	2022
RDC	\$ 286,799	\$ 288,468	\$ 300,328	\$ 291,289
ILDC	-	177,224	4,519,375	179,722
	<u>\$ 286,799</u>	<u>\$ 465,692</u>	<u>\$ 4,819,703</u>	<u>\$ 471,011</u>

In 2023, ECIDA provided ILDC with \$4,477,770 to temporarily finance various projects. These funds are expected to be repaid when ILDC receives reimbursement from grant sources.

In 2023 and 2022, Erie County provided \$129,000 and \$385,000, respectively, 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 statements of revenues, expenses, and changes in net position.

6. Leases:

ECIDA, as lessee, entered into a non-cancelable lease for office space through July 31, 2027 and recognized a right-to-use lease asset at the present value of \$532,728 using a discount rate of 5%. The lease requires annual minimum payments of \$159,307 and utility charges that are determined on an annual basis. Principal and interest due in 2024 total \$136,321 and \$22,986, respectively.

ECIDA entered into a sublease agreement with Buffalo Urban Development Corporation for a portion of their office space through July 31, 2027. ECIDA recognized \$24,291 and \$23,153 in gross rental income, including interest at 5.0%, in 2023 and 2022. Annual receipts are expected to total \$21,046, plus utilities, through 2027.

ECIDA, as lessor, has entered into a non-cancelable lease for its former office through July 31, 2027. ECIDA recognized \$231,700 and \$220,386 in gross rental income, including interest at 5.0%, in 2022 and 2021. Annual receipts are expected to total \$230,856, plus utilities, through 2027.

7. 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 2023 and 2022, ECIDA made discretionary contributions of 12% of eligible employees' salaries. ECIDA's expense for contributing to the plan for the years ended December 31, 2023 and 2022 amounted to \$177,368 and \$162,663 respectively. Employees are also permitted to participate in the New York State Deferred Compensation Plan but ECIDA does not make contributions to this plan.

8. 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.

9. 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, 2023

	General Account	UDAG Account	Total
Assets			
Current assets:			
Cash	\$ 7,472,224	\$ 6,232,166	\$ 13,704,390
Receivables			
Affiliates	341,933	4,477,770	4,819,703
Grants	4,869,218	-	4,869,218
Leases	215,555	-	215,555
Other	134,930	-	134,930
Prepaid expenses	78,600	-	78,600
	<u>13,112,460</u>	<u>10,709,936</u>	<u>23,822,396</u>
Noncurrent assets:			
Leases receivable	609,283	-	609,283
Capital assets, net	1,506,504	-	1,506,504
Other assets	100,639	406,247	506,886
Restricted cash	9,777,101	-	9,777,101
	<u>11,993,527</u>	<u>406,247</u>	<u>12,399,774</u>
	<u>\$ 25,105,987</u>	<u>\$ 11,116,183</u>	<u>\$ 36,222,170</u>
Liabilities and Net Position			
Current liabilities:			
Accounts payable	\$ 304,991	\$ -	\$ 304,991
Lease payable	136,321	-	136,321
Accrued expenses	150,339	-	150,339
Unearned revenue	4,764,541	-	4,764,541
	<u>5,356,192</u>	<u>-</u>	<u>5,356,192</u>
Noncurrent liabilities:			
Lease payable	385,321	-	385,321
Funds held on behalf of others	9,516,218	-	9,516,218
	<u>9,901,539</u>	<u>-</u>	<u>9,901,539</u>
Deferred inflows of resources:			
Deferred inflows of resources related to leases	824,838	-	824,838
Net position:			
Net investment in capital assets	984,862	-	984,862
Restricted	-	11,116,183	11,116,183
Unrestricted	8,038,556	-	8,038,556
	<u>9,023,418</u>	<u>11,116,183</u>	<u>20,139,601</u>
	<u>\$ 25,105,987</u>	<u>\$ 11,116,183</u>	<u>\$ 36,222,170</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, 2023

	General Account	UDAG Account	Total
Operating revenues:			
Administrative fees	\$ 1,749,882	\$ -	\$ 1,749,882
Affiliate management fees and rental income	286,799	-	286,799
Rental income	316,002	-	316,002
Other	159,191	-	159,191
Total operating revenues	<u>2,511,874</u>	<u>-</u>	<u>2,511,874</u>
Operating expenses:			
Salaries and benefits	2,035,058	-	2,035,058
General and administrative	765,417	28,975	794,392
Depreciation and amortization	204,228	-	204,228
Other	43,207	-	43,207
Total operating expenses	<u>3,047,910</u>	<u>28,975</u>	<u>3,076,885</u>
Operating loss before special project grants	<u>(536,036)</u>	<u>(28,975)</u>	<u>(565,011)</u>
Special project grants:			
Revenues	517,991	-	517,991
Expenses	(469,897)	(385,331)	(855,228)
	<u>48,094</u>	<u>(385,331)</u>	<u>(337,237)</u>
Operating loss	(487,942)	(414,306)	(902,248)
Nonoperating revenues:			
Interest income	213,325	199,107	412,432
Interest expense	(8,499)	-	(8,499)
	<u>204,826</u>	<u>199,107</u>	<u>403,933</u>
Change in net position	(283,116)	(215,199)	(498,315)
Net position - beginning	<u>9,306,534</u>	<u>11,331,382</u>	<u>20,637,916</u>
Net position - ending	<u>\$ 9,023,418</u>	<u>\$ 11,116,183</u>	<u>\$ 20,139,601</u>

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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 financial statements of Erie County Industrial Development Agency (ECIDA), a business-type activity, as of and for the year December 31, 2023, and the related notes to the financial statements, which collectively comprise ECIDA's basic financial statements, and have issued our report thereon dated March 21, 2024.

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 21, 2024

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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 financial statements of Erie County Industrial Development Agency (ECIDA), a business-type activity, as of and for the year ended December 31, 2023, and the related notes to the financial statements, and we have issued our report thereon dated March 21, 2024.

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, 2023. 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 21, 2024

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**BUFFALO AND ERIE COUNTY REGIONAL
DEVELOPMENT CORPORATION**

SINGLE AUDIT REPORTING PACKAGE

DECEMBER 31, 2023

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BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION

Table of Contents

December 31, 2023

Independent Auditors' Report

Management's Discussion and Analysis

Financial Statements

Balance Sheets

Statements of Revenues, Expenses, and Changes in Net Position

Statements of Cash Flows

Notes to Financial Statements

Supplementary Information

Combining Schedule of Balance Sheets

Combining Schedule of Revenue, Expenses, and Changes in Net Position

Schedule of Expenditures of Federal Awards and related notes

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 for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

Schedule of Findings and Questioned Costs

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 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 years ended December 31, 2023 and 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, 2023 and 2022, and the changes in its financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

We conducted our audits 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 audits. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

GAAP requires 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 an opinion 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 21, 2024 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 21, 2024

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BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION

Management's Discussion and Analysis (Unaudited)

December 31, 2023

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 Erie County Industrial Development Agency (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, 2023, 2022, and 2021. 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). RDC's assets and deferred outflows of resources less 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 net position increased from \$22,175,000 in 2022 to \$22,681,000 in 2023.
- RDC experienced an increase in net position of \$506,000 in 2023 compared to an increase of \$422,000 in 2022.
- Operating revenues increased 21% from \$555,000 in 2022 to \$673,000 in 2023.
- Operating expenses increased 33% from \$243,000 in 2022 to \$324,000 in 2023.

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Condensed Comparative Financial Statements:

Balance Sheets at December 31:

<i>in thousands</i>	2023	2022	\$ Change	% Change	2021
Assets					
Cash	\$ 4,287	\$ 5,461	\$ (1,174)	(21%)	\$ 7,790
Accounts and grants receivable	-	-	-	N/A	10
Loans receivable, net	18,709	17,104	1,605	9%	14,250
Total assets	\$ 22,996	\$ 22,565	\$ 431	2%	\$ 22,050
Liabilities					
Accounts payable	\$ 2	\$ 2	\$ -	-	\$ -
Due to affiliate	300	291	9	3%	297
Unearned revenue	13	97	(84)	(87%)	-
Total liabilities	315	390	(75)	(19%)	297
Net position					
Restricted	4,603	4,555	48	1%	4,526
Unrestricted	18,078	17,620	458	3%	17,227
Total net position	22,681	22,175	506	2%	21,753
Total liabilities and net position	\$ 22,996	\$ 22,565	\$ 431	2%	\$ 22,050

RDC's cash balance decreased 21% or \$1,174,000 primarily due to loan disbursements in 2023. The cash decrease from \$7,790,000 in 2021 to \$5,461,000 in 2022 was also a result of loan disbursements. Year over year decreases in cash correspond with year over year increases in loans receivable.

Loans receivable relate to the RLFs operated by RDC, net of an allowance. Loans receivable increased \$1,605,000 or 9% from 2022 to 2023, due to \$4,450,000 of new loans closed during 2023, net of \$2,845,000 of principal repayments. The increase in loans receivable from \$14,250,000 in 2021 to \$17,104,000 in 2022 was due to loans disbursed in 2022.

Due to affiliate reflects the amount due to ECIDA under a shared services agreement for personnel and overhead at the end of the year. The \$9,000 increase in due to affiliate from 2022 to 2023 is mainly due to an increase to the hourly rates of ECIDA employees. The decrease in amounts due to affiliate from \$297,000 in 2021 to \$291,000 in 2022 reflected a decrease in hours spent on RDC activities by 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. The \$84,000 or 87% decrease from 2022 to 2023 is due to grant revenue recognized in 2023.

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

<i>in thousands</i>	2023	2022	\$ Change	% Change	2021
Operating revenues:					
Interest from loans	\$ 652	\$ 536	\$ 116	22%	\$ 447
Loan commitment fees	21	19	2	11%	-
Total operating revenues	673	555	118	21%	447
Operating expenses:					
General and administrative	\$ 351	\$ 331	\$ 20	6%	\$ 405
Loan loss expense, net of recoveries	(27)	(88)	61	(69%)	418
Total operating expenses	324	243	81	33%	823
Operating income (loss)	349	312	37	12%	(376)
Nonoperating revenues					
Interest income	73	13	60	462%	3
Grant contributions	84	97	(13)	(13%)	5,111
Total nonoperating revenues	157	110	47	43%	5,114
Change in net position	\$ 506	\$ 422	\$ 84	20%	\$ 4,738

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 \$116,000, or 22%, from 2022 to 2023 because of the increase in loans receivable and higher interest rates associated with more recent loans. Interest increased from \$447,000 in 2021 to \$536,000 in 2022 due to the increase in loans receivable.

Loan commitment fees are generally charged on loans greater than \$100,000. Commitment fees vary from year to year depending on individual loan amounts. In 2023, there were four loans that incurred commitment fees of \$21,000. In 2022 there were six loans that incurred commitment fees of \$19,000. In 2021, commitment fees were waived as a result of the COVID-19 pandemic.

Expense Analysis

In 2023, general and administrative expenses increased \$20,000 from \$331,000 to \$351,000. The increase is mainly attributable to increases in legal and marketing costs. In 2023, RDC incurred higher legal costs associated with specific loans and performed targeted marketing of the loan funds. General and administrative expenses decreased \$74,000 from 2021 to 2022 primarily due to a spike in costs associated with the initial administration and disbursement of loans under the CARES Act RLF.

Loan loss expense, net of recoveries consists of the amount of loan loss expense in a year, net of any recoveries for loans previously written off. In 2023, the net expense is due to reductions in the allowance of \$26,000. Two loans totaling \$104,900 were written off in 2023 that were previously included in the allowance for uncollectible loans. In 2022 loan loss expense was \$4,000, net of reductions to the allowance of \$92,000 due to loan recoveries. No loans were written off in 2022. 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.

Grant contributions relate directly to amounts granted from ECIDA under the CARES Act RLF established in 2022. In 2023, \$84,000 of administrative costs were incurred, compared to \$97,000 in 2022.

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Budget to Actual Analysis for the year ended December 31, 2023:

RDC prepares an annual budget which was presented and approved by the Board of Directors on October 26, 2022. The following table presents an analysis of RDC's performance compared to the approved 2023 budget.

<i>in thousands</i>	Actual	Budget	\$ Variance	% Variance
Operating revenues:				
Interest from loans	\$ 652	\$ 630	\$ 22	3%
Loan commitment fees	21	15	6	100%
Total operating revenues	673	645	28	4%
Operating expenses:				
General and administrative	\$ 351	\$ 398	\$ (47)	(12%)
Loan loss expense, net of recoveries	(27)	445	(472)	(106%)
Total operating expenses	324	843	(519)	(62%)
Operating income (loss)	349	(198)	547	(276%)
Nonoperating revenues				
Interest income	73	1	72	7,200%
Grant contributions	84	-	84	100%
Total nonoperating revenues	157	1	156	15,600%
Change in net position	\$ 506	\$ (197)	\$ 703	(357%)

Overall, RDC exceeded its budgeted decrease in net position for 2023 by \$703,000. Total operating revenue was \$28,000, or 4%, above budget due to higher than anticipated interest income from loans in 2023. Total expenses were \$519,000, or 62%, below budget. This was due mainly to the lower than expected 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,	2023	2022
Assets		
Current assets:		
Cash	\$ 4,287,457	\$ 5,460,730
Loans receivable (Note 2)	3,856,264	3,056,101
	<u>8,143,721</u>	<u>8,516,831</u>
Noncurrent assets:		
Loans receivable, net (Note 2)	14,852,212	14,047,965
	<u>\$ 22,995,933</u>	<u>\$ 22,564,796</u>
Liabilities and Net Position		
Current liabilities:		
Accounts payable	\$ 2,041	\$ 1,516
Due to affiliate (Note 3)	300,328	291,289
Unearned revenue	12,509	97,105
	<u>314,878</u>	<u>389,910</u>
Net position:		
Restricted	4,603,316	4,555,315
Unrestricted	18,077,739	17,619,571
	<u>22,681,055</u>	<u>22,174,886</u>
	<u>\$ 22,995,933</u>	<u>\$ 22,564,796</u>

See accompanying notes.

8

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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,	2023	2022
Operating revenues:		
Interest from loans	\$ 652,208	\$ 536,412
Loan commitment fees	21,250	18,625
Total operating revenues	<u>673,458</u>	<u>555,037</u>
Operating expenses:		
General and administrative	351,680	331,379
Provision for uncollectible loans (recoveries), net	(27,196)	(88,495)
Total operating expenses	<u>324,484</u>	<u>242,884</u>
Operating income	<u>348,974</u>	<u>312,153</u>
Nonoperating revenues:		
Interest income	72,599	12,974
Grant contributions	84,596	96,545
Total nonoperating revenues	<u>157,195</u>	<u>109,519</u>
Change in net position	506,169	421,672
Net position - beginning	<u>22,174,886</u>	<u>21,753,214</u>
Net position - ending	<u>\$ 22,681,055</u>	<u>\$ 22,174,886</u>

See accompanying notes.

9

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BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION

Statements of Cash Flows

For the years ended December 31,	2023	2022
Operating activities:		
Payments collected on loans receivable	\$ 2,871,575	\$ 2,047,009
Loan interest and fees	673,458	555,037
Loans awarded	(4,450,000)	(4,814,910)
Payments to vendors and affiliates	(342,116)	(330,762)
Bad debt recoveries	1,211	2,478
Net operating activities	(1,245,872)	(2,541,148)
Capital and related financing activities:		
Grant contributions	-	198,489
Investing activities:		
Interest income	72,599	12,974
Change in cash	(1,173,273)	(2,329,685)
Cash - beginning	5,460,730	7,790,415
Cash - ending	\$ 4,287,457	\$ 5,460,730
Reconciliation of operating income to net cash flows from operating activities:		
Operating income	\$ 348,974	\$ 312,153
Adjustments to reconcile operating income to net cash flows from operating activities		
Provision for uncollectible loans	(25,985)	(86,017)
Changes in other assets and liabilities:		
Accounts and grants receivable	-	5,329
Loans receivable	(1,578,425)	(2,767,901)
Accounts payable	525	1,383
Due to affiliate	9,039	(6,095)
	\$ (1,245,872)	\$ (2,541,148)

See accompanying notes.

10

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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 (GAAP) 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 GAAP 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, 2023, 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 consists of two components:

- *Restricted* – consists of restricted assets reduced by related liabilities. 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 revolving loan fund (RLF) as of September 30, 2021 through the Reinvigorating Lending for the Future Act, due to the RLF 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 RLF 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. Unearned revenue totaled \$12,509 and \$97,105 as of December 31, 2023 and 2022.

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:

	2023	2022
Current status	\$ 19,102,476	\$ 17,628,952
Less allowance	394,000	524,886
	18,708,476	17,104,066
Less current portion	3,856,264	3,056,101
	\$ 14,852,212	\$ 14,047,965

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

	2023	2022
Balance, beginning of year	\$ 524,886	\$ 610,903
Additions charged to operations	-	4,415
Reduction in allowance	(130,886)	(90,432)
	\$ 394,000	\$ 524,886

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

	Principal	Interest
2024	\$ 3,856,264	\$ 592,422
2025	3,367,825	484,254
2026	3,206,195	375,579
2027	3,016,884	268,314
2028	1,983,897	185,181
Thereafter	3,671,411	235,421
	\$ 19,102,476	\$ 2,141,171

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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 \$286,799 and \$288,468 for the years ended December 31, 2023 and 2022. Amounts owed to ECIDA at December 31, 2023 and 2022 totaled \$300,328 and \$291,289, 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 totaled \$630,000 at December 31, 2023.

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BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION

Supplementary Information Combining Schedule of Balance Sheets

December 31, 2023

	Legacy Account	CARES Act Account	Total
Assets			
Current assets:			
Cash	\$ 3,258,101	\$ 1,029,356	\$ 4,287,457
Loans receivable	2,978,005	878,259	3,856,264
	<u>6,236,106</u>	<u>1,907,615</u>	<u>8,143,721</u>
Noncurrent assets:			
Loans receivable, net	12,083,026	2,769,186	14,852,212
	<u>\$ 18,319,132</u>	<u>\$ 4,676,801</u>	<u>\$ 22,995,933</u>
Liabilities and Net Position			
Current liabilities:			
Accounts payable	\$ 1,506	\$ 535	\$ 2,041
Due to affiliate	239,887	60,441	300,328
Unearned revenue	-	12,509	12,509
	<u>241,393</u>	<u>73,485</u>	<u>314,878</u>
Net position:			
Restricted		4,603,316	4,603,316
Unrestricted	18,077,739	-	18,077,739
	<u>18,077,739</u>	<u>4,603,316</u>	<u>22,681,055</u>
	<u>\$ 18,319,132</u>	<u>\$ 4,676,801</u>	<u>\$ 22,995,933</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, 2023

	Legacy Account	CARES Act Account	Total
Operating revenues:			
Interest from loans	\$ 607,701	\$ 44,507	\$ 652,208
Loan commitment fees	21,250	-	21,250
Total operating revenues	628,951	44,507	673,458
Operating expenses:			
General and administrative	267,084	84,596	351,680
Provision for uncollectible loans (recoveries), net	(26,417)	(779)	(27,196)
Total operating expenses	240,667	83,817	324,484
Operating income (loss)	388,284	(39,310)	348,974
Nonoperating revenues:			
Interest income	69,884	2,715	72,599
Grant contributions	-	84,596	84,596
Total nonoperating revenues	69,884	87,311	157,195
Change in net position	458,168	48,001	506,169
Net position - beginning	17,619,571	4,555,315	22,174,886
Net position - ending	\$ 18,077,739	\$ 4,603,316	\$ 22,681,055

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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, 2023

<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>			
<u>Passed through Erie County Industrial Development Agency</u>			
COVID-19 - Economic Adjustment Assistance	11.307	01-79-15022	\$ 5,235,397

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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	\$ 1,029,356
Balance of loans outstanding	4,021,445
Administrative expenses	84,596
Loan write-offs	100,000
	<u>5,235,397</u>
Total EDA Share	100%
	<u>\$ 5,235,397</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 financial statements of Buffalo and Erie County Regional Development Corporation (RDC), a business-type activity, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise RDC's basic financial statements, and have issued our report thereon dated March 21, 2024.

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 21, 2024

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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 the compliance of Buffalo and Erie County Regional Development Corporation (RDC), a business-type activity, 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, 2023. RDC's major federal programs are identified in the summary of auditors' 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, 2023.

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 21, 2024

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BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION

Schedule of Findings and Questioned Costs

For the year ended December 31, 2023

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>\$ 5,235,397</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 financial statements of Buffalo and Erie County Regional Development Corporation (RDC), a business-type activity, as of and for the year ended December 31, 2023, and the related notes to the financial statements, and we have issued our report thereon dated March 21, 2024.

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, 2023. 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 21, 2024

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

SINGLE AUDIT REPORTING PACKAGE

DECEMBER 31, 2023

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

Table of Contents

December 31, 2023

Independent Auditors' Report

Management's Discussion and Analysis

Financial Statements

Balance Sheets

Statements of Revenues, Expenses, and Changes in Net Position

Statements of Cash Flows

Notes to Financial Statements

Supplementary Information

Combining Schedule of Balance Sheets

Combining Schedule of Revenue, Expenses, and Changes in Net Position

Schedule of Expenditures of Federal Awards and related notes

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 for Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

Schedule of Findings and Questioned Costs

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 years ended December 31, 2023 and 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, 2023 and 2022, and the changes in its financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

We conducted our audits 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 audits. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

GAAP requires 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 an opinion on the financial statements that comprise ILDC'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 21, 2024 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 the effectiveness of ILDC's 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 21, 2024

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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, 2023

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, 2023, 2022, and 2021. We encourage readers to consider the information presented here in conjunction with ILDC's audited financial statements.

In 2023 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 public road and began work on public 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). ILDC's assets and deferred outflows of resources less its 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 net position increased by 3% from \$7,350,000 in 2022 to \$7,586,000 in 2023.
- ILDC experienced an increase in net position of \$236,000 in 2023 compared to a decrease of \$513,000 in 2022.
- Operating revenues increased 313% from \$23,000 in 2022 to \$35,000 in 2023.
- Operating expenses decreased 64% from \$957,000 in 2022 to \$288,000 in 2023.

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Condensed Comparative Financial Statements:

Balance Sheets at December 31:

<i>in thousands</i>	2023	2022	\$ Change	% Change	2021
Assets					
Cash	\$ 418	\$ 1,265	\$ (847)	(67%)	\$ 2,037
Grants receivable	9,191	10,212	(1,021)	(10%)	7,653
Loans receivable, net	485	550	(65)	(12%)	667
Prepaid expenses	-	32	(32)	(100%)	1
Capital assets, net	179	-	179	N/A	-
Land held for sale	6,875	6,867	8	-	7,233
Total assets	\$ 17,148	\$ 18,926	\$ (1,778)	(9%)	\$ 17,591
Liabilities					
Accounts payable	\$ 880	\$ 824	\$ 56	7%	\$ 23
Due to affiliate	4,519	180	4,339	2,411%	458
Unearned revenue	4,163	10,572	(6,409)	(61%)	9,247
Total liabilities	9,562	11,576	(2,014)	(17%)	9,728
Net position					
Net investment in capital assets	179	-	179	N/A	-
Restricted	540	608	(68)	(11%)	652
Unrestricted	6,867	6,742	125	2%	7,211
Total net position	7,586	7,350	236	3%	652
Total liabilities and net position	\$ 17,148	\$ 18,926	\$ (1,778)	(9%)	\$ 10,380

ILDC's cash balance decreased 67% or \$847,000 in 2023, after a decrease of 38% or \$772,000 in 2022. Both decreases were primarily due to the use of cash for land development activity.

Grants receivable decreased 10% or \$1,021,000 due to grant receipts from the U.S. Department of Commerce Economic Development Administration (EDA) and Erie County during the year. There were no new grants recognized in 2023. In 2022 there was an increase of 33% or \$2,559,000 due mainly to an award of \$2,680,000 from the EDA.

Loans receivable relate to the microenterprise revolving loan fund, known as the Erie County Business Development Fund. Net loans receivable decreased \$65,000 from 2022 to 2023. While there were 8 new loans totaling \$280,000 in 2023, the decrease is due to principal payments received combined with a provision for uncollectible loan expense of \$189,000. The uncollectible loan expense is largely due to loans that are partially forgiven as certain requirements are met. There was a \$117,000 decrease in net loans receivable from 2021 to 2022.

Capital assets consist mainly of an entrance sign at Renaissance Commerce Park in Lackawanna, New York. The sign was constructed and installed in 2023, causing an increase in net capital assets.

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 \$8,000 increase in land held for sale from 2022 to 2023 reflects additional capitalizable costs incurred. The \$366,000 decrease from 2021 to 2022 was due to the sale of 8 acres at the Lackawanna site.

The \$56,000 increase in accounts payable from 2022 to 2023 and the \$801,000 increase from 2021 to 2022 is primarily due to special project construction-related payables outstanding at year end.

The \$4,339,000 or 2,411% increase in the total due to affiliate (ECIDA) from 2022 to 2023 is due to \$4,478,000 of funds borrowed from ECIDA related to land development activities and projects. Repayment will be made from grant funds once received. The \$278,000 decrease from 2021 to 2022 was due to the repayment of \$255,000 with grant proceeds received in 2022.

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Unearned revenue relates to grants awarded to the ILDC, for which the related revenue has not yet been recognized. The \$6,409,000 decrease from 2022 to 2023 is due to the recognition of revenue related to grants, and no new grants awarded. The increase from 2021 to 2022 was due to an increase in grants awarded.

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

<i>in thousands</i>	2023	2022	\$ Change	% Change	2021
Operating revenue:					
Administrative fee revenue	\$ 11	\$ 191	\$ (180)	(94%)	\$ 10
Gain (loss) on land held for sale	-	(181)	181	(100%)	(146)
Interest from loans and other	24	13	11	85%	3
Total revenue	35	23	12	52%	(133)
Operating expenses:					
Transfer to ECIDA	28	282	(254)	(90%)	130
General, administrative, and depreciation	71	192	(121)	(63%)	231
Loan loss expense, net of recoveries	189	483	(294)	(61%)	74
Total operating expenses	288	957	(669)	(70%)	435
Operating loss before special project grants	(253)	(934)	681	(73%)	(568)
Special project grants:					
Grant revenue	6,748	2,038	4,710	231%	1,814
Grant expense	(6,259)	(1,617)	(4,642)	287%	(426)
Total special project grants	489	421	68	16%	1,388
Change in net position	\$ 236	\$ (513)	\$ 749	(146%)	\$ 820

Revenue Analysis

ILDC is an issuer of tax-exempt bond financing for not-for-profit entities. These bonds are not obligations of 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 decreased in 2023 as a result of no bond issuances. In 2022 there was one bond issuance and ILDC charges for amending documents, which accounted for the increase in fees from 2021.

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. There were no land sales in 2023. In both 2022 and 2021, the sale price of land sold was less than the cost of land to ILDC.

The \$11,000 increase in interest from loans and other revenue from 2022 to 2023 is due mainly to an increase in loan interest from microenterprise fund loans. The increase from 2021 to 2022 was also due to an increase in loan interest.

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 charged for ILDC-related projects. The \$254,000 decrease from 2022 to 2023 is due to no ILDC bonds being issued during the year, combined with a decrease in ECIDA employee hours charged. The increase from 2021 to 2022 related to \$105,000 of administrative fees for bond activity and an increase in ECIDA employee hours charged.

In 2023, general, administrative, and depreciation expenses decreased \$121,000 from \$192,000 to \$71,000, due mainly to decreases in legal and consulting costs and one-time reclassifications of certain expenses in 2023. General, administrative, and depreciation expenses decreased \$39,000 from 2021 to 2022 due to a one-time grant application fee in 2021.

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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 decrease of \$294,000 in the provision for uncollectible loans from 2022 to 2023 reflects the balances of the outstanding loans that could potentially be forgiven under the terms of the program. There were four loans that were successfully forgiven during 2023. There was an increase in the provision for uncollectible loans of \$409,000 from 2021 to 2022.

Grant revenue increased \$4,710,000 to \$6,748,000 in 2023, from \$2,038,000 in 2022. This was primarily due to \$5,199,000 of grant revenue recognized for sewer construction reimbursable costs at Renaissance Commerce Park. The increase from 2021 to 2022 related to grant revenue in 2022 for engineering and road construction costs at Renaissance Commerce Park.

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 \$4,642,000 increase in grant expenses from 2022 to 2023 due to an increase in grant-eligible project expenses discussed above. A majority of grant expenses are related to the Renaissance Commerce Park project (See Note 3 to the financial statements for more details). The increase from 2021 to 2022 also related to projects at Renaissance Commerce Park.

Budget Analysis

ILDC prepares an annual budget which was presented and approved by the Board of Directors on October 26, 2022. The following table presents an analysis of ILDC's performance compared to the approved 2023 budget.

<i>in thousands</i>	Actual	Budget	\$ Variance	% Variance
Operating revenue:				
Administrative fee revenue	\$ 11	\$ -	\$ 11	N/A
Gain (loss) on land held for sale	-	300	(300)	(100%)
Interest from loans and other	24	13	11	85%
Total revenue	35	313	(278)	(89%)
Operating expenses:				
Transfer to ECIDA	28	190	(162)	(85%)
General, administrative, and depreciation	71	109	(38)	(35%)
Loan loss expense, net of recoveries	189	15	174	1,160%
Total operating expenses	288	314	(26)	(8%)
Operating loss before special project grants	(253)	(1)	(252)	25,200%
Special project grants:				
Grant revenue	6,748	3,206	3,542	110%
Grant expense	(6,259)	(3,229)	(3,030)	94%
Total special project grants	489	(23)	512	(2,226%)
Change in net position	\$ 236	\$ (24)	\$ 260	(1,083%)

Overall, ILDC exceeded its budgeted increase in net position for 2023 by \$260,000. Total revenue was \$278,000, or 89%, below budget due to no sales of property in 2023. Total expenses were \$26,000, or 8%, below budget. Most of the variance is due to the provision for uncollectible loans of \$189,000 not being included in the original budget and transfers to ECIDA being lower than expected. Grant revenue was \$3,542,000 higher than budget, while grant expenses were also \$3,030,000 higher than budget.

Economic Factors Impacting ILDC

ILDC relies upon land sales to generate revenue for continued operations, as well as grant revenue 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,	2023	2022
Assets		
Current assets:		
Cash	\$ 417,701	\$ 1,265,215
Grants receivable	9,191,179	10,212,072
Loans receivable (Note 2)	123,071	119,854
Prepaid expenses	-	31,500
	<u>9,731,951</u>	<u>11,628,641</u>
Noncurrent assets:		
Loans receivable, net (Note 2)	362,312	429,741
Capital assets	184,285	2,925
Accumulated depreciation	(5,192)	(2,925)
Land held for sale (Note 4)	6,875,104	6,867,153
	<u>7,416,509</u>	<u>7,296,894</u>
	<u>\$ 17,148,460</u>	<u>\$ 18,925,535</u>
Liabilities and Net Position		
Current liabilities:		
Accounts payable	\$ 880,331	\$ 824,190
Due to affiliate (Note 5)	4,519,375	179,722
Unearned revenue	4,163,198	10,571,964
	<u>9,562,904</u>	<u>11,575,876</u>
Net position:		
Net investment in capital assets	179,093	-
Restricted	539,928	608,122
Unrestricted	6,866,535	6,741,537
	<u>7,585,556</u>	<u>7,349,659</u>
	<u>\$ 17,148,460</u>	<u>\$ 18,925,535</u>

See accompanying notes.

8

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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,	2023	2022
Operating revenues:		
Administrative fees	\$ 11,200	\$ 190,700
Loss on land held for sale	-	(181,324)
Interest from loans and other	24,061	13,024
Total operating revenues	<u>35,261</u>	<u>22,400</u>
Operating expenses:		
Transfer to Erie County Industrial Development Agency	28,194	282,224
General and administrative	69,047	191,170
Provision for uncollectible loans	189,048	482,505
Depreciation	2,267	650
Total operating expenses	<u>288,556</u>	<u>956,549</u>
Operating loss before special project grants	(253,295)	(934,149)
Special project grants:		
Special project grant revenue	6,747,957	2,037,945
Special project grant expense	(6,258,765)	(1,617,073)
Total special project grants	<u>489,192</u>	<u>420,872</u>
Change in net position	235,897	(513,277)
Net position - beginning	<u>7,349,659</u>	<u>7,862,936</u>
Net position - ending	\$ 7,585,556	\$ 7,349,659

See accompanying notes.

9

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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,	2023	2022
Operating activities:		
Administrative fees	\$ 11,200	\$ 190,700
Receipts from (payments to) Erie County Industrial Development Agency	4,311,459	(560,613)
Principal and interest on loans and other	179,225	82,635
Loans awarded	(280,000)	(435,000)
Proceeds from sale of land	-	207,250
Purchase of land held for sale	(7,951)	(22,214)
Payments to vendors	(850,727)	(227,807)
Special project grant receipts	1,360,084	803,979
Special project grant disbursements	(5,389,444)	(810,492)
Net operating activities	(666,154)	(771,562)
Capital and related financing:		
Purchases of capital assets	(181,360)	-
Cash - beginning	1,265,215	2,036,777
Cash - ending	\$ 417,701	\$ 1,265,215
Reconciliation of change in net position to net cash flows		
from operating activities:		
Change in net position	\$ 235,897	\$ (513,277)
Adjustments to reconcile change in net position to net cash flows from operating activities:		
Loss on land held for sale	-	181,324
Provision for uncollectible loans	(189,048)	(482,505)
Depreciation	2,267	650
Changes in other assets and liabilities:		
Grants receivable	1,020,893	(2,558,977)
Loans receivable	253,260	599,621
Prepaid expenses	31,500	(31,500)
Land held for sale	(7,951)	185,036
Accounts payable	56,141	801,444
Due to affiliate	4,339,653	(278,389)
Unearned revenue	(6,408,766)	1,325,011
Net operating activities	\$ (666,154)	\$ (771,562)

See accompanying notes.

10

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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 GAAP 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. Investments 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, 2023, 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.

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

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 and deferred outflows of resources reduced by related liabilities. 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 meet 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, 2023, previously issued bonds have an aggregate outstanding principal amount payable of \$304,864,803, none of which is recognized as a liability of ILDC.

ILDC transferred \$10,000 and \$105,000 in administrative fees to ECIDA in 2023 and 2022.

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.

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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.

ILDC previously provided a \$750,000 forgivable loan to a borrower. The entire 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 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:

	2023	2022
Current status	\$ 1,914,515	\$ 1,856,179
Less allowance	1,429,132	1,306,584
	485,383	549,595
Less current portion	123,071	119,854
	<u>\$ 362,312</u>	<u>\$ 429,741</u>

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

	2023	2022
Balance, beginning of year	\$ 1,306,584	\$ 824,079
Additions charged to operations	189,048	482,505
Reduction in allowances	(66,500)	-
	<u>\$ 1,429,132</u>	<u>\$ 1,306,584</u>

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

	Principal	Interest
2024	\$ 123,071	\$ 19,412
2025	130,007	17,826
2026	122,007	14,859
2027	76,258	8,255
2028	29,364	3,599
Thereafter	4,676	487
	<u>\$ 485,383</u>	<u>\$ 64,438</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 are 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 are 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 are 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:

	2023	2022
Bethlehem Phase II	\$ 6,695,000	\$ 6,695,000
Bethlehem EDA	1,809,107	2,680,000
Angola Agribusiness Park	687,072	687,072
Other	-	150,000
	<u>\$ 9,191,179</u>	<u>\$ 10,212,072</u>

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

	2023	2022
Bethlehem Phase II	\$ 3,692,057	\$ 7,297,293
Bethlehem EDA	32,267	2,590,483
Angola Agribusiness Park	431,096	526,410
Other	7,778	157,778
	<u>\$ 4,163,198</u>	<u>\$ 10,571,964</u>

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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, 2023 and 2022 amounted to \$6,875,104 and \$6,867,153, respectively.

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. The initial \$1,000,000 for carrying costs was exhausted during 2023 and ECIDA approved additional funding for necessary carrying costs. As of December 31, 2023 and 2022, \$6,338,416 of the \$6,400,000 total amount granted has been spent on real property. As of December 31, 2023 and 2022, \$1,093,297 and \$929,235 for carrying costs was utilized, respectively.

In connection with the Phase I land purchase, ILDC accepted 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, 2023 and 2022, \$3,363,125 in reimbursements have been made to ECIDA.

In December 2018, 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, 2023 and 2022, \$855,084 of the \$900,000 granted for the purchase of real property was utilized. As of December 31, 2023 and 2022, \$164,722 and \$118,452 of the \$300,000 granted for carrying costs was utilized.

5. Related Party Transactions:

ECIDA historically allocated a portion of its personnel and overhead costs to ILDC which amounted to \$177,224 in 2022. In 2023, ECIDA chose to discontinue allocation of personnel and overhead costs to ILDC unless a corresponding revenue source is identified. The amount outstanding to ECIDA at December 31, 2023 and 2022 related to these costs amounted to \$41,605 and \$179,722. In 2023, the ECIDA Board of Directors authorized ILDC to utilize ECIDA's UDAG funding for cash flow purposes while project reimbursements are processed. At December 31, 2023, ECIDA provided a total of \$4,477,770 for this purpose. Amounts due to ECIDA totaled \$4,519,375 and \$179,722 at December 31, 2023 and 2022.

In 2023 and 2022, Erie County provided \$129,000 and \$385,000, respectively, 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 revenue in the accompanying statements 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, 2023

	Operating	Erie County BDF Program	Total
Assets			
Current assets:			
Cash	\$ 320,649	\$ 97,052	\$ 417,701
Grants receivable	9,191,179	-	9,191,179
Loans receivable	-	123,071	123,071
	<u>9,511,828</u>	<u>220,123</u>	<u>9,731,951</u>
Noncurrent assets:			
Loans receivable, net	-	362,312	362,312
Capital assets	184,285	-	184,285
Accumulated depreciation	(5,192)	-	(5,192)
Land held for sale	6,875,104	-	6,875,104
	<u>7,054,197</u>	<u>362,312</u>	<u>7,416,509</u>
	<u>\$ 16,566,025</u>	<u>\$ 582,435</u>	<u>\$ 17,148,460</u>
Liabilities and Net Position			
Current liabilities:			
Accounts payable	\$ 879,429	\$ 902	\$ 880,331
Due to affiliate	4,477,770	41,605	4,519,375
Unearned revenue	4,163,198	-	4,163,198
	<u>9,520,397</u>	<u>42,507</u>	<u>9,562,904</u>
Net position:			
Net investment in capital assets	179,093	-	179,093
Restricted	-	539,928	539,928
Unrestricted	6,866,535	-	6,866,535
	<u>7,045,628</u>	<u>539,928</u>	<u>7,585,556</u>
	<u>\$ 16,566,025</u>	<u>\$ 582,435</u>	<u>\$ 17,148,460</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, 2023

	Operating	Erie County BDF Program	Total
Operating revenues:			
Administrative fees	\$ 11,200	\$ -	\$ 11,200
Interest from loans and other	3,695	20,366	24,061
Total operating revenues	14,895	20,366	35,261
Operating expenses:			
Transfer to Erie County Industrial Development Agency	-	28,194	28,194
General and administrative	68,729	318	69,047
Provision for uncollectible loans	-	189,048	189,048
Depreciation	2,267	-	2,267
Total operating expenses	70,996	217,560	288,556
Operating loss before special project grants	(56,101)	(197,194)	(253,295)
Special project grants:			
Special project grant revenue	6,618,957	129,000	6,747,957
Special project grant expense	(6,258,765)	-	(6,258,765)
Total special project grants	360,192	129,000	489,192
Change in net position	304,091	(68,194)	235,897
Net position - beginning	6,741,537	608,122	7,349,659
Net position - ending	\$ 7,045,628	\$ 539,928	\$ 7,585,556

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

Supplementary Information
Schedule of Expenditures of Federal Awards

For the year ended December 31, 2023

<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>			
Investments for Public Works and Economic Development Facilities	11.300	01-79-15063	\$ 2,559,506
<u>U.S. Department of Housing and Urban Development:</u>			
Passed through Erie County Industrial Development Agency			
Community Development Block Grants	14.218	N/A	<u>129,000</u>
			<u>\$ 2,688,506</u>

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

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 Industrial Land Development Corporation (ILDC), an entity as defined in Note 1 to ILDC'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.

Basis of Accounting

ILDC 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 ILDC's financial reporting system.

Indirect Costs

ILDC 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 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 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, 2023, and the related notes to the financial statements, which collectively comprise ILDC's basic financial statements, and have issued our report thereon dated March 21, 2024.

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 21, 2024

DRAFT

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 Industrial
Land Development Corporation

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the compliance 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, 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 ILDC's major federal programs for the year ended December 31, 2023. ILDC's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, ILDC 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, 2023.

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 ILDC 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 ILDC'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 ILDC'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 ILDC'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 ILDC'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 ILDC'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 ILDC'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 ILDC'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 21, 2024

DRAFT

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

Schedule of Findings and Questioned Costs

For the year ended December 31, 2023

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
Investments for Public Works and Economic Development Facilities	11.300	<u>\$ 2,559,506</u>

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

Auditee qualified as low-risk auditee? No

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 Industrial
Land Development Corporation

We have audited, in accordance with auditing standards generally accepted in the United States of America, 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, 2023, and the related notes to the financial statements, and we have issued our report thereon dated March 21, 2024.

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, 2023. 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 21, 2024

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

2023 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.

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 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, 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 and measurements
4. Bonds and notes outstanding
5. Compensation (for those with a salary in excess of \$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 during the reporting year
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, 2023.

1. Operations & Accomplishments:

A report on the 2023 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, 2023, 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, ECIDA does not receive any operational funding or subsidies from Federal, State, County or local sources. Instead, 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, ECIDA takes a leasehold or ownership interest in various properties and is at times brought into various lawsuits that could impact ECIDA’s financial results or affect insurability.
- 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 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, 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. 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 2023 is included in Attachment 1. This document was reviewed and approved by the Board at the March 22, 2023 Board meeting.

4. Schedule of Bonds and Notes Outstanding:

Attachment 2 summarizes ECIDA’s and ILDC’s bonds and notes outstanding at December 31, 2023. The indebtedness shown on these schedules is conduit debt and is **not** an obligation of 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 2023. 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 ECIDA or its affiliates receive any compensation for their services as directors. None of the officers of 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 2023.

6. Projects Undertaken by the Corporation during 2023:

Attachment 4 details the tax-exempt bonds and tax abatements that were approved during 2023. Attachments 4A and 4B detail the loans that were funded in 2023 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-AS\\$@TXGMU0891-A+&LIST=LAW+&BROWSER=EXPLORER+&TOKEN=35134270+&TARGET=VIEW](http://public.leginfo.state.ny.us/LAWSSEAF.cgi?QUERYTYPE=LAWS+&QUERYDATA=$$GMU891-AS$@TXGMU0891-A+&LIST=LAW+&BROWSER=EXPLORER+&TOKEN=35134270+&TARGET=VIEW)

RDC & ILDC

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

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

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

11. Description of the Authority and its Board Structure:

i) Names of Committees and Committee Members:

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

ii) Lists of Board Meetings & Attendance:

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

iii) Description of major authority units, subsidiaries:

The ECIDA and its affiliates do not have any subsidiaries.

iv) Number of Employees:

The ECIDA had 18 full-time employees during 2023.

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 (RCP) in Lackawanna, NY. Steelworkers Way was completed, connecting the Dona Street Extension with the northern parcels, and serving as an access road between the TMP Technologies and Uniland parcels. Uniland Development also celebrated the ribbon cutting at 8 Dona Street, which was their first warehouse/distribution facility at RCP. In 2023 Uniland commenced construction of a second warehouse/distribution facility on the parcel adjacent to 8 Dona, located at 2 Steelworkers Way. Infrastructure work also continued, and ILDC presented a public information hearing on a possible passive park located on a bluff overlooking Lake Erie.

The ILDC also continued work on the Master Plan/GEIS for the ILDC's other major property, Erie County Agribusiness Park, 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 Empire State Development to be used for building demolition, sewer, and roadway work. Construction of a water tower and two Master Plan options were completed, in anticipation of the public hearing for the Draft GEIS in early 2024.

The RDC continued to operate two revolving loan funds (RLFs) in 2023, providing favorable terms to businesses who may not qualify for traditional lending from banks. By the end of 2023, the RDC's funds available for lending were replenished to approximately \$3,000,000. The RDC Board approved an updated Loan Administration

Plan (LAP), which includes a new line of credit product designed to help businesses in targeted industries grow their businesses and create jobs in Erie County. Special lending terms for MWBE businesses were also codified in the LAP.

The ECIDA Board approved a new enhanced PILOT benefit designed to increase MWBE contract and hiring opportunities on projects that receive ECIDA PILOT benefits. The Economic Inclusion Policy offers up to 25% less in PILOT payments if the project meets agreed-upon MWBE contract and/or hiring goals.

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 2023 and forwarded the results to the Authorities 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)**

2023 Mission Statement and Performance Measurements with Results

Approval Date of Goals: March 22, 2023

Approval Date of Results: Anticipated March 27, 2024

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:

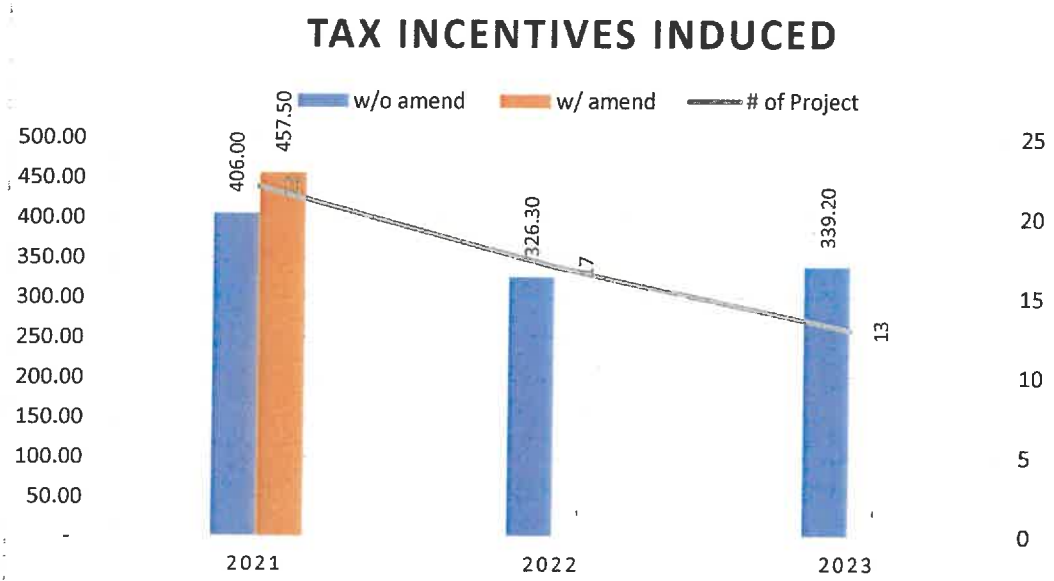
Goal 1: To promote private investment & innovation:

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

Results: A total of 13 tax incentive projects were approved by the ECIDA Board of Directors in 2023. The total private investment amount for these projects totaled over \$339.2 M.

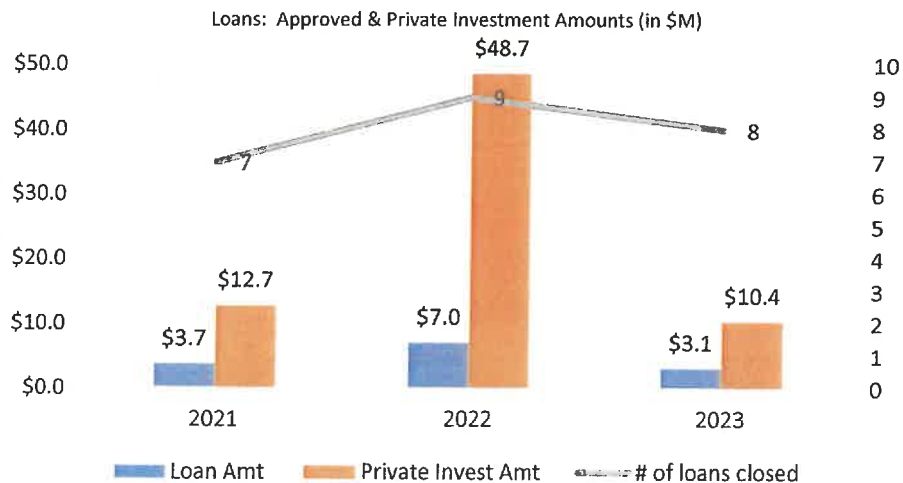


Objective 1B: RDC: Provide “gap financing” to spur the creation of new businesses and private-sector investment in working capital, machinery and equipment.

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

Metric: 6-8 business loans totaling \$2 M with private investment = \$5 M. Currently, the RDC has limited lending capacity (the majority of funds have been deployed). As of Jan ‘23, the RDC has approximately \$750 K in funds to lend and expects this amount to increase due to monthly principal reflow = approx. \$200,000.

Results: RDC approved 8 loans from the Legacy Fund for \$3.1 M with \$10.4 M in private investment. Historically, the RDC has leveraged private investment 6.5 to 1. Limited loan funds were available to lend during the first half of 2023 which restricted the RDC’s ability to entertain some loan requests. However, overall demand for loans was lighter than expected due to rising interest rates and threats of a recession. Thus, the monthly principal reflow coupled with several loan payoffs adequately replenished the loan fund by the end of 2023 resulting in approximately \$3 million to lend.

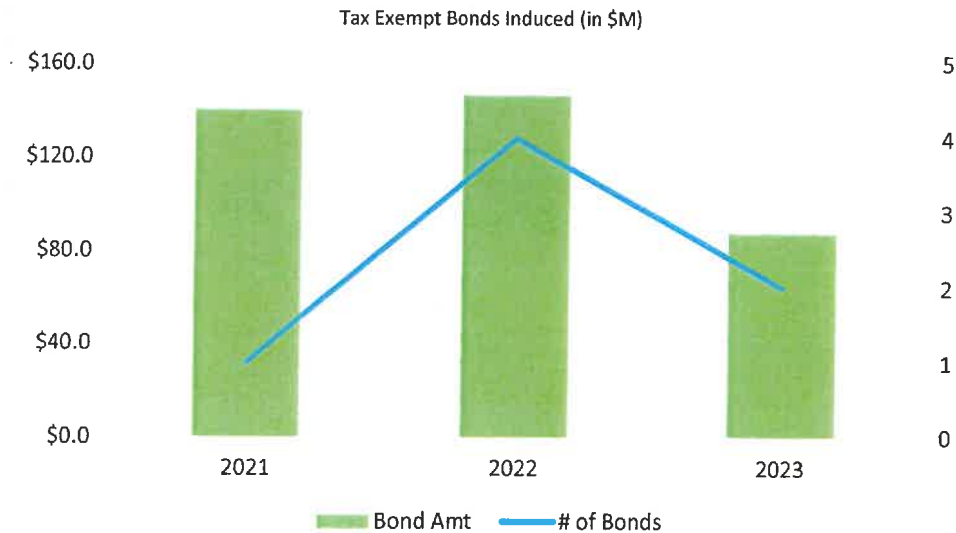


Objective 1C: ECIDA & ILDC: Assist non-profit and other eligible borrowers to obtain low-interest, tax-exempt bond financing.

Measurement: Value of private investments from low-interest financing provided to non-profit organizations and qualified private activity bond projects.

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

Results: The ECIDA Board of Directors approved \$87.3 M in tax exempt bonds. This included the Related Companies Westchester Park bond totaling \$22.3 M. The Joint School Construction Board refinanced several bonds totaling \$65M providing the Buffalo School system with the anticipated financial savings of approx. \$2.94 M over a three-year period.

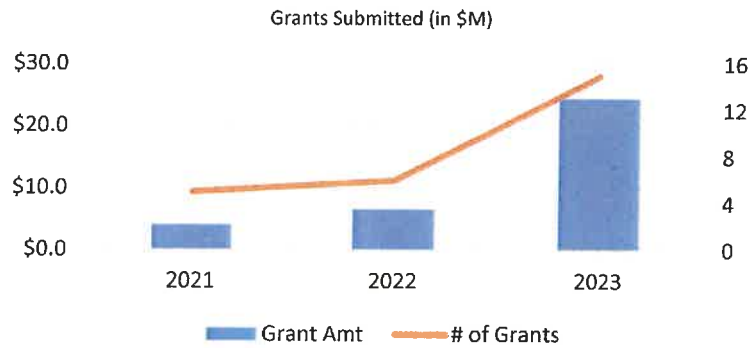


Objective 1D: ECIDA & ILDC: Pursue state, federal and private (grant) funding opportunities to support priority projects and leverage private investment. Administer projects that have received grant funding.

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

Metric: 4 – 5 grants submitted annually for \$1.5 - \$2 M. 2- 4 grants totaling \$1.5 – 2 M under administration.

Results: In 2023, 15 grant applications were submitted (tot = \$24.5 M) resulting in: 5 funded (\$ 6.35M), 7 pending (\$10.73 M) and 3 declined (\$5.80 M). In 2023 there were 9 active grants totaling \$12 M under administration.



Applicant	Name of Grant	Status (as of 12/31/23)	\$ Awarded
Erie County Villages (various)	Forest Service Urban & Community Forestry Inflation Reduction Act	Awarded	\$255,584
	Muni Planning Grant - village 1	Awarded	\$38,800
	Muni Planning Grant - village 2	Awarded	\$30,000
	Restore NY Round 7	Awarded	\$1,272,513
	Community Dev Block Grant	Declined	
	Green Innovation - village 1	Not Funded	
	Green Innovation - village 2	Not Funded	
	Urban & Community Forestry	Pending	
	Assistance to Firefighters	Declined	
	New York Forward	Declined	
ILDC	FAST NY	Awarded	\$4,750,000
	Community Resiliency Econ Sustainability & Tech	Pending	
ECIDA	Congressionally Directed Spending Request	Pending	
	Consolidated Rail Infrastructure & Safety Improvement	Declined	
	Rebuilding America Infrastructure with Sustainability & Equity	Declined	

\$6,346,897

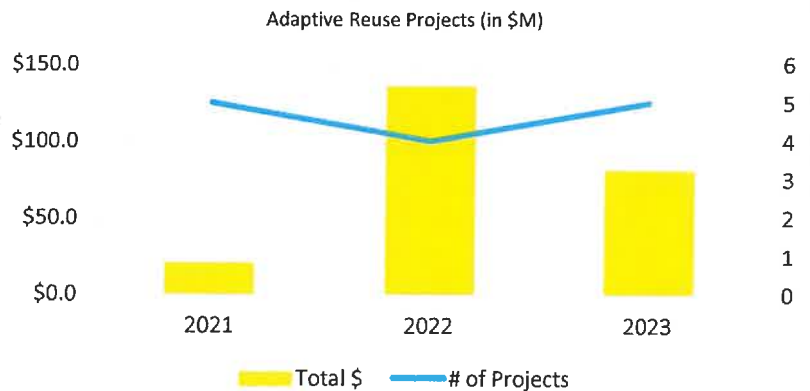
Goal 2: To support business formation, job growth, and economic expansion targeting economically challenged and disadvantaged communities:

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: 5 adaptive reuse projects were approved with total private investment = \$80.9 M. These projects will create a total of 250 apartment units of which 38 units (15%) will be available at 80% AMI (or below). All 5 projects are in distressed census tracts and/or adjacent to distressed census tracts. The private investment amount reflects both the available building stock consisting of buildings with smaller sq ft (many of the larger buildings eligible for adaptive reuse have already undergone redevelopment) and impacts of other market conditions.



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

Measurement: Number and \$ amount of direct assistance through Agency product offerings to MWBEs (i.e. business loans, tax incentives). Procurement goal \$ amount and % spent with MWBE vendors for both operational and other purchases.

Metric: Direct Assistance: - \$250,000 in direct assistance to 5 – 7 MWBEs.

Vendor Operational Purchases of \$18,000 / 30% MWBE (i.e. office supplies, catering, equipment leasing).

Other Purchases: Meet 100% of the following: 1) Professional services including 30% MWBE for engineering/design, 2) Construction service that includes 30% MWBE for contract utilization and 3) RFPs and/or bids scoring – that includes MWBE utilization and/or D&I initiatives valued at 10% of the scoring index

Results:

Direct Assistance: 8 MWBEs received assistance totaling \$1,840,000 and were comprised of 4 RDC loans (\$1,700,000) and 4 ILDC Loans (\$140,000). Of the 8 loans, 2 RDC loans (\$800,000) and 1 ILDC loan (\$35,000) were made to minority women.

In 2023 the RDC amended the Loan Administrative Plan (LAP) to include a new line of credit offering special terms to MWBE's targeting four industries (Daycare's, Construction, Trades and Agriculture Businesses. In addition, the ECIDA provided a \$2,500 SBA sponsorship for Straight Talk that provides technical assistance to MWBE businesses.

\$ Amount of MBE WBE Direct Assistance



Purchasing: A total of \$145,000 of operational purchases were identified (major categories were printing/marketing, IT services / hardware / software, and office supplies). Of that total, \$21,000 (14.5%) were from known M/WBEs. \$16,800 (11.6%) were from WBEs and \$4,200 (2.9%) were from MBEs. In 2023 ECIDA increased its annual spend with WBEs by \$5,680 and with MBEs by \$520 and also began relationships with three new M/WBE vendors.

Other Purchases: Construction Services 100% compliance: 2 bids issued in 2023 with a value of \$6.9 M included 30% MWBE goal have been awarded to vendors with a commitment to 30% MWBE value = \$1.7 M.

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

Objective 2C: ECIDA, ILDC & RDC: Support diversity, equity & inclusion with a focus on staff development

Measurement: Provide training opportunities re: Racial Equity

Metric: Provide two or more continued educational / training opportunities for staff on DEI

Results: Four DEI related continuing education / training opportunities were offered to and attended by staff during 2023.

- BNP DEI Virtual Learning Series “Is Inclusion Belonging” on April 18th & April 28th.
 - BNP DEI Virtual Learning Series “Affirmative Action SCOTUS Decision and The Impact on Your Business” on November 9th.
 - BNP DEI Virtual Learning Series “How to Lead Inclusively” on November 30th.
 - Mandatory NYS Sexual Harassment Training for all staff included diversity in the workplace. Training held on September 18th
-

Objective 2D: ECIDA: Increase opportunities for minorities and women to experience economic progress through tax incentive programs.

Measurement: Adoption of ECIDA Economic Inclusion PILOT

Metric: Obtain ECIDA Board approval of and begin implementation of Economic Inclusion PILOT Policy.

Results: The Economic Inclusion PILOT program was implemented during 3rd Q 2023. The goal of this program is to promote, encourage and maximize opportunities for minorities and women to experience economic progress by 1) establishing MWBE utilization goals for construction activities and 2) to meet minority and women job creation and/or retention goals. In meeting these goals, the applicant’s project will be eligible for enhanced benefits related to the Payment in Lieu of Taxes (PILOT). Of the 3 projects brought to the Board for approval in the 4th Q, one was eligible for the Economic Inclusion PILOT and has opted into the program (Project=1175 Delaware/Delaware Place). Several business development prospects in the pipeline have expressed interest in the program – should their projects be brought to the ECIDA Board in 2024.

Objective 2E: 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 \$50,000 - \$55,000.

Results: In 2023, the average salary for the 1,343 FT Jobs (1,097 retained, 246 new) = \$76,117. The average salary for the 73 PT Jobs (40 retained, 33 new) = \$33,187 The total annual payroll amount = \$226 M

2023 FULL TIME			
Category	# of Jobs	Salary w/ Fringe	Salary w/o Fringe
Management	124	\$ 123,747	\$ 102,887
Professional	210	\$ 112,561	\$ 91,009
Administrative	110	\$ 82,249	\$ 67,090
Production	845	\$ 72,334	\$ 59,600
Independent Contractor	4	\$ 48,325	\$ 48,325
Other	50	\$ 84,485	\$ 68,400

2023 PART TIME			
Category	# of Jobs	Salary w/ Fringe	Salary w/o Fringe
Management	1	\$ 30,000	\$ 30,000
Professional	2	\$ 56,250	\$ 45,000
Administrative	2	\$ 25,000	\$ 25,000
Production	55	\$ 29,431	\$ 29,318
Independent Contractor	0	\$ -	\$ -
Other	13	\$ 44,231	\$ 44,231

*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"

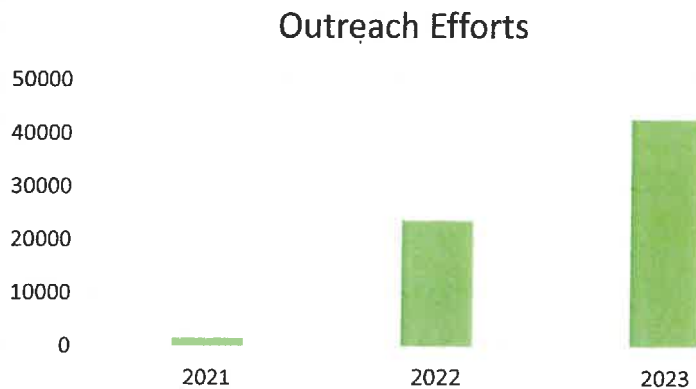
Objective 2F: ECIDA, RDC & ILDC: Reach out to Erie County businesses to inform them of ECIDA and other business support services available.

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

Metric: 20,000 business outreach contacts

Results: In 2023 business outreach contacts = 42,755 over doubling the goal. The outreach efforts include direct business development contacts, event participation, presentations, and direct marketing communication activities (direct mailers, marketing email clicks). The main reason for this increase is we changed the measurement unit from Business First email “opt ins” in previous years to the industry-standard measurement of impressions based upon Business First direct marketing emails. Note: 21,000 opt ins (2022) to 40,000 impressions (2023).

Additional paid advertising Marcomm activities for 2023 totaled more than 909,000 impressions (social media, radio and print advertising).



Objective 2G: 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: 350 acres of land under management

Results: Continued management and redevelopment of approximately 486 acres of land: 240 acres of brownfield property at Renaissance Commerce Park, 240 acres of land at the Erie County Agribusiness Park (former Angola Airport site), and 6 acres at the former Polymer Applications site (3445 River Road).

2023 Highlights

Site	Activities
Renaissance Commerce Park	<ul style="list-style-type: none"> • Managed 14 new prospect leads for RCP. • Construction of new water and sewer lines at Odell, and Ridge Road corridors. • Completion of road construction for final section of Steelworkers Way. • 8 Dona Street facility ribbon cutting, fully leased. • 2 Steelworkers Way facility under construction, completion in early 2024. • Negotiating sale of parcel 4a to Uniland Development for construction of a 3rd Spec. building site, 10 acres. • Awarded \$4.75 million FASTNY grant for WYE Yard rail relocation project. • Engineering Contract Awarded and underway for WYE Yard rail relocation project. • Completion of Smokes Creek Passive Park feasibility study
Agri-business Park	<ul style="list-style-type: none"> • Construction of new water tower to provide additional water service to the Town of Evans and the Park. • Installation of new electrical service and water lines to service the Park • Completion and approval of Masterplan and Draft GEIS for Park
Polymer Site	<ul style="list-style-type: none"> • Negotiated lease - 3445 River Road, Tonawanda, with MN8 Group for the development of a battery storage facility.

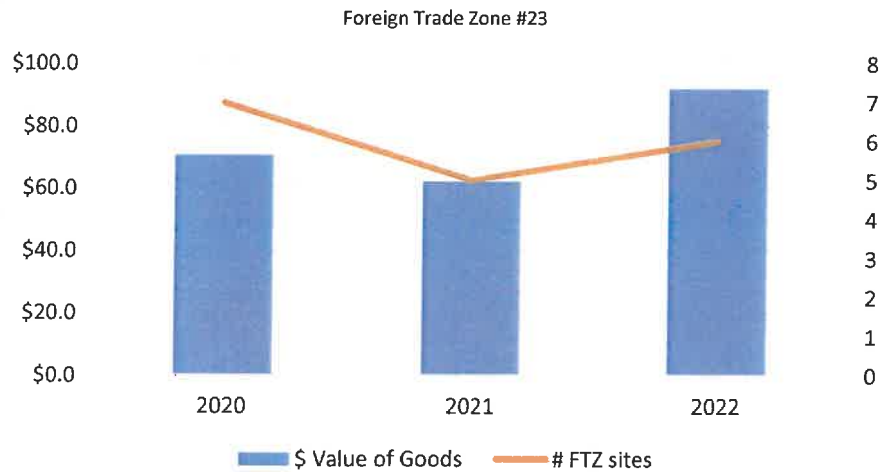
Goal 3: To encourage international trade:

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

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

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

Results: For year-end 2022, a total of 6 Active FTZ Sites with goods valued at \$92,057,662 million moved through the zone. This represents an increase of \$29,765,515 from year end 2021. The increase in FTZ activity was primarily driven by the Cummins Engine and Sucrose Sourcing sites.



*(note: due to the timing of the Annual Federal FTZ Reporting (June) – the prior year's results are listed)

Goal 4: Regional & Business Resiliency:

Objective 4A: ECIDA, RDC, ILDC: Assist businesses throughout Erie County.

Measurement: Provide a roadmap for business resiliency.

Metric: Implement the updated 2022 Comprehensive 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 Erie County CEDS Implementation Committee met 3 times in 2023: Mar 27th (virtual), Aug 28th (in-person) & Dec 11th (virtual) to discuss the status of the goals and objectives contained in the 2022 Updated CEDS. Outputs from each meeting include Meeting Summary Reports and CEDS Committee Survey Responses.

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 \$160,000, which represents the remaining funds available for lending from the Erie County Microenterprise Loan program. The ECIDA will continue to service, support and market the lending program to the eligible consortium communities.

Results: The ILDC closed 8 micro enterprise loans for \$280K with \$49K in private investment. 4 of the loans were to Woman owned businesses. Due to principal re-flow from loan payoffs from the existing loan portfolio, additional HUD monies were allocated to the loan fund. The ILDC was able to fund more loans than previously anticipated.

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: Collection and analysis of quarterly employment & local labor reports for all active projects, review of investment verifications, facilitate 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: In 2023, 1 project obtained a local labor waiver, and 2 projects successfully complied with the Pay Equity audit, showing no adverse findings. 100% compliance unpaid real property tax policies and investment confirmations. Compliance with employment retention and creation to be assessed Q1, pending receipt / analysis of annual surveys.

Objective 5B: ECIDA: Client compliance with the NYS Sales and Use Tax program.

Measurement: Monitor and review of clients' ST-340 reporting forms against 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: Two clients exceeded their sales tax benefit - both overages have been collected/remitted to NYS. One NYS ST-340 form pending as of 3/12/24.

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

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

Metric: 100% compliance

Results: The Agency is on track to meet filing requirements of the ABO's 3/31/24 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: All 19 ECIDA & RDC Board Members and 7 ILDC Board Members have completed ABO board member training. The Agency is on track to meet the ABO's reporting deadline of 3/31/24.

Objective 5E: ECIDA, ILDC & RDC: Ensure proper controls and safeguards over the financial reporting and assets of the organizations.

Measurement: Annual independent audit reports of all entities.

Metric: Audit opinions and management letter.

Results: Anticipating an unqualified opinion indicating that the financial statements are reasonably stated.

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: For the year ended December 31, 2022, a Level A risk rating was assigned to the CARES Act RLF. 32 out of a possible 33 points were earned. Metrics such as loan write-offs, available cash compared to other RLFs in the region, and strong portfolio management contributed to the high rating. Certain risk metrics such as default rate, net RLF income, and loan leverage ratio have been relaxed during the startup period and will factor into future risk ratings. The risk rating for the year ended December 31, 2023 is expected to be known mid-2024, as the reporting deadline is March 30, 2024.

Governance Certification

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

Board of Directors response: Yes

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

Board of Directors response: The Board of Directors

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

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

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

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

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

Board of Directors response: Yes

ECIDA Bonds

ATTACHMENT 2

Id	Trustee	ProjectName	Bond Amount	Year Start Balance 2023	Year End Balance 2023	Principal Paid 2023	Interest Rate	Bond/Loan Number	Bond Maturity
1062	M&T Bank	Niagara Maryland Development, LLC	\$2,500,000	\$ 215,000	\$ -	\$ 215,000	var	295088FM5	6/1/23
2360	New York Housing Finance Agency	2009 Shoreline Apartments LLC	\$9,000,000	\$ 1,096,892	\$ 1,044,869	\$ 52,023	0.055	5003	11/30/41
2516	Bank of New York Mellon	Our Lady of Victory Renaissance Corporation	\$11,860,000	\$ 6,805,000	\$ 6,275,000	\$ 530,000	Variable		4/1/32
2591	M&T Bank	Canisius High School	\$22,250,000	\$ 9,900,000	\$ 9,475,000	\$ 425,000	var	1012768	2/1/38
10194	M&T Bank	Joint Schools Construction Board 2013 Refund of 2009A Bonds	\$62,540,000	\$ 60,235,000	\$ 59,935,000	\$ 300,000	var	254	5/1/28
10216	U.S. Bank National Association	Medaille College 2013 Refund of ECIDA 2003 Bond	\$18,240,000	\$ 13,010,000	\$ -	\$ 13,010,000	fixed	1036945, 1036947, 1036932	2/16/35
10291	M&T Bank	Joint Schools Construction Board (Refund of 2007A & 2008A bonds) - Series 2015A	\$236,975,000	\$ 140,925,000	\$ 120,385,000	\$ 20,540,000	var.	H378	2029
10342	M&T Bank	Joint Schools Construction Board Series 2016A (Refund of 2009A Bonds)	\$133,580,000	\$ 100,275,000	\$ 84,405,000	\$ 15,870,000	2.17	118534-000	2031
10404	Zions Bancorporation	Marina Vista	\$13,300,000	\$ 12,768,730	\$ 12,571,935	\$ 196,795	fixed	CPC7068801, 7916	12/20/37
10504	U.S. Bank National Association	Related Affordable/Elmwood Square Apartments	\$8,590,000	\$ 8,590,000	\$ 8,534,149.62	\$ 55,850.38	1.846%, Fixed	234450000	2038
10621	M&T Bank	Joint Schools Construction Board/City School District of the City of Buffalo -2021 series	\$109,135,000	\$ 103,935,000	\$ 95,955,000	\$ 7,980,000	Fixed		2032
10730	M&T Bank	Joint Schools Construction Board/City School District of the City of Buffalo - 2022 series	\$71,150,000	\$ 71,150,000	\$ 51,945,000	\$ 19,205,000	Fixed	158152-000	2026
10758	Huntington National Bank	OAHS Tonawanda TC, LLC (Tonawanda Towers)	\$ 11,090,000	\$ 11,090,000	\$ 11,090,000	\$ -	Fixed	Account number 5082001861	10/1/2062
10764	Wilmington Trust National Association	Ellicott Park Townhomes Community Partners, LP	\$33,000,000	\$33,000,000	\$ 32,935,000	\$ 65,000	5.45% fixed	161477-000	4/1/2067
10809	U.S. Bank National Association	Westchester Park Perservation LP	\$22,310,000	\$22,310,000	\$ 22,310,000	\$ -	4.23% fixed	248174000	2041
10813	M&T Bank	Joint Schools Construction Board/City School District of the City of Buffalo - 2023A	\$57,270,000	\$57,270,000	\$ 57,270,000	\$ -	5.0% fixed	166740-000	2028
				\$ 652,575,622	\$ 574,130,953				

ILDC Bonds

ATTACHMENT 2

IS	Bank	Project Name	Bond Amount	Year Start Estimated 2026	Year End Balance 2026	Principal Paid 2026	Interest Rate	Local Number
2758	UMB Bank	Enterprise Charter School	\$7,345,000.00	\$6,060,000.00	\$5,895,000.00	\$165,000	7.5	1032851
10111	M&T Bank	Cantalician Center for Learning-Series A	\$9,525,000	\$4,953,333	\$4,440,000	\$513,333	var.	1034105
10278	The Bank of New York Mellon	Catholic Health System	\$93,800,000	\$72,980,000	\$68,500,000.00	\$4,480,000	5	
10290	The Bank of New York Mellon	Orchard Park CCRC, Inc. a/k/a Fox Run	\$44,490,000	\$35,550,000	\$34,055,000	\$1,495,000	1-5%	ORCHRD PARK15
10296	M&T Bank	Canisius College of Buffalo, New York - Refund of 2004-2005 DASNY Bonds - Series 2015A	\$30,760,000.00	\$19,825,000.00	\$18,865,000.00	\$960,000	Libor rate: 1.3375	3233822
10296	M&T Bank	Canisius College of Buffalo, New York - Refund of 2004-2005 DASNY Bonds - Series 2015B	\$16,195,000.00	\$16,195,000.00	\$16,195,000.00	\$0	Libor rate: 1.4075	3233830
10338	M&T Bank	854 Ellicott Street, LLC	\$44,328,500	\$40,003,376.32	\$39,055,046.90	\$948,329.42	2.95	99-6641368-3
10371	M&T Bank	Tapestry Charter School	\$33,900,000.00	\$32,150,000.00	\$31,645,000.00	\$505,000		Series A - 123350-000 Series B - 123351-000
10375	U.S. Bank	Charter School for Applied Technologies	\$22,995,000.00	\$18,340,000.00	\$17,285,000.00	\$1,055,000	Varies: 4.25%- 5.00%	220612000
10398	M&T Bank	Medaille College 2018 Series Refunding of 2010 Bonds (ILDC)	\$9,350,000.00	\$9,045,000.00	\$0.00	\$9,045,000		
10399	Wilmington Trust	Global Concepts Charter School	\$6,185,000.00	\$5,290,000.00	\$5,045,000.00	\$245,000	4 & 5%	131876-000
10470	U.S. Bank	D'Youville College	\$48,205,000.00	\$46,525,000.00	\$45,615,000.00	\$910,000	Variable	234594000
10713	Key Government Finance, Inc.	134 High Street, LLC, Series 2022	\$19,635,847.21	\$19,023,082.11	\$18,269,755.69	\$753,326.42	2.92%	
				\$325,939,791	\$304,864,803			

Erie County Industrial Development Agency
Compensation Schedule
Year Ended: December 31, 2023

The following employees had a base salary greater than \$100,000 in 2023:

Name	Title	Salary	Performance Compensation	Payroll Taxes*	Benefits	Total
John Cappellino	President & CEO	\$ 205,000	-	13,157	41,612	\$ 259,769
Elizabeth O'Keefe	Vice President - Operations	\$ 120,000	-	9,432	23,844	\$ 153,276
Mollie Profic	Vice President & CFO	\$ 115,605	-	9,096	37,485	\$ 162,186
Grant Lesswing	Director of Business Development	\$ 106,822	-	8,424	29,739	\$ 144,985

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

Erie County Industrial Development Agency

Projects Undertaken by the Corporation

Year Ended: December 31, 2023

Company	Projected Year 2 Jobs	Net Jobs Projected to be Created	Lease Project Amount	Tax Exempt Bond Amount	Date Approved
1 Moog, Inc.	180	0	\$ 76,750,800		3/22/2023
2 Lactalis American Group, Inc.	403	27	44,526,000		11/29/2023
3 Westchester Park Preservation	5	1	35,600,000	22,310,000	10/25/2023
4 BPS Commissary Kitchen	66	15	33,067,799		7/26/2023
5 356 Hertel Ave, LLC	42	42	32,067,800		2/22/2023
6 IMA Life North America	150	30	27,556,179		9/27/2023
7 Wood and Brooks Properties, LLC	3	3	23,127,638		4/26/2023
8 1175 Delaware Place	2	2	16,750,000		11/29/2023
9 Stark Real Estate Holdings	180	130	16,250,000		6/28/2023
10 Rosina Food Products, Inc.	291	15	16,000,000		6/28/2023
11 Commitment 2000/Father Sam's	88	12	8,623,800		2/22/2023
12 TM Montante/50 Gates Circle	4	0	3,465,838		5/31/2023
13 Trautman Associates/130 Pearl, LLC	2	2	2,477,047		7/26/2023
14 JSCB Series 2023A Refunding of 2013A Bonds	0	0		65,000,000	10/25/2023
Total:	1416	279	\$ 336,262,901	\$ 87,310,000	

Buffalo & Erie County Regional Development Corporation

Projects Undertaken by the Corporation (Loans)

Year Ended: December 31, 2023

<u>Company</u>	<u>Loan Amount</u>	<u>Date Closed</u>
1 Perry's Ice Cream	\$ 2,000,000	6/21/2023
2 Linita Design & Manufacturing	750,000	4/21/2023
3 Sherex Fastening Solutions	750,000	3/16/2023
4 Top Seedz, LLC	750,000	4/28/2023
5 Rust Belt Love, Inc.	100,000	1/24/2023
6 El Encanto Café, Inc.	100,000	4/21/2023
Total	<u>\$ 4,450,000</u>	

Buffalo & Erie County Industrial Land Development Corporation

Projects Undertaken by the Corporation (Loans)

Year Ended: December 31, 2023

<u>Company</u>	<u>Loan Amount</u>	<u>Date Closed</u>
1 Kevin Thie d/b/a Buffalo Firewood	\$ 35,000	4/11/2023
2 David Grapes, Jr d/b/a Grapes Lawn and Landscape	35,000	6/12/2023
3 Elaine Urbanowicz d/b/a Urbanowicz Acres	35,000	7/6/2023
4 Dark Forest Chocolate Makers Inc.	35,000	7/31/2023
5 J.P Mobil Detailing LLC	35,000	9/6/2023
6 Taylor'd Beauty LLC	35,000	10/30/2023
7 Beach's Motorcycle Adventures Ltd.	35,000	10/31/2023
8 Beauty Blends Tattoo & Spa Inc.	35,000	11/13/2023
Total	<u>\$ 280,000</u>	

Erie County Industrial Development Agency
 Property Report
 Year Ended: December 31, 2023

Table 1. The following is a listing of all real property owned by the ECIDA and its affiliates at December 31, 2023.

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
ILDC	3445 River Road, Tonawanda, NY 14150	Vacant land	20,000
ILDC	1526 Eden Evans Center Road, Evans, NY 14006	237.99 acres of land w/4 commercial buildings	703,506
ILDC	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 2023.

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

Table 3. The following is a listing of all real property that was acquired during 2023.

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

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 12/31/23)

Attachment #6

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

Name	Executive	Governance	Compensation	Finance & Audit	Nominating	Policy	Loan	Loan Write-Off
Denise Abbott							ER	
Thomas Baines*		ERI						
April Baskin*						ER		
A.J. Baynes *						ER		
Penny Beckwith*				ERI				ERI
Diane Benczkowski					ERI			
Mark Blue			E			ER		
Bryon Brown	ER					ER		
Allison DeHonney*				ERI				
Joseph Emminger	ER							
Zachary Evans*		ERI			ERI	ER	ER	
Dottie Gallagher			E					
Rebecca Gandour*							ER	
Michael Hughes		ERI	E					
Howard Johnson		ERI						
Tyra Johnson-Hux		ERI						ERI
Brian Kulpa		ERI						
Nancy LaTulip*							ER	
Richard Lipsitz	ER		E		ERI	ER		
Dr. Susan McCartney						ER		
Denise McCowan				ERI				
Brenda McDuffie	ER	ERI	E			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*								
David State*		ERI				ER		
						ER		

ECIDA/RDC/ILDC Board Committees
(As of 12/31/23)

Attachment #6

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

	Executive	Governance	Compensation	Finance & Audit	Nominating	Policy	Loan	Loan Write-Off
Lavon Stephens*						ER		
Michael Szukala*				ERI				
Michael Taylor*							ER	
Hon. John Tobia						ER		
Paul Vukelic				ERI		ER		
William Witzleben*				ERI				ERI
Royce Woods*							ER	

* Non-Board members

2023 ECIDA AND AFFILIATES BOARD MEMBER MEETING LIST

Attachment #7

X = ATTENDED

Board	Member	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Notes
ECIDA	Denise Abbott	No Meeting	X	X	X	X	X	X	No Meeting	X	10/25/23	11/29/23	No Meeting	
	Hon. Diane Benczkowski	X	X	X	X	X	X	X	X	X	X	X	X	
	Rev. Mark Blue	X	X	X	X	X	X	X	X	X	X	X	X	
	Hon. Byron Brown	X	X	X	X	X	X	X	X	X	X	X	X	
	James Doherty	X	X	X	X	X	X	X	X	X	X	X	X	
	Hon. Joseph Emminger	X	X	X	X	X	X	X	X	X	X	X	X	
	Dottie Gallagher	X	X	X	X	X	X	X	X	X	X	X	X	
	Michael Hughes	X	X	X	X	X	X	X	X	X	X	X	X	
	Hon. Howard Johnson	X	X	X	X	X	X	X	X	X	X	X	X	
	Tyra Johnson	X	X	X	X	X	X	X	X	X	X	X	X	
	Hon. Brian Kulpa	X	X	X	X	X	X	X	X	X	X	X	X	
	Richard Lipsitz Jr.	X	X	X	X	X	X	X	X	X	X	X	X	
	Denise McCowan	X	X	X	X	X	X	X	X	X	X	X	X	
	Brenda McDuffie	X	X	X	X	X	X	X	X	X	X	X	X	
	Hon. Glenn Nellis	X	X	X	X	X	X	X	X	X	X	X	X	
	Hon. Mark Poloncarz	X	X	X	X	X	X	X	X	X	X	X	X	
	Rev. Darius Pridgen	X	X	X	X	X	X	X	X	X	X	X	X	
	Kenneth Schoetz	X	X	X	X	X	X	X	X	X	X	X	X	
	Paul Vukelic	X	X	X	X	X	X	X	X	X	X	X	X	
Board	Member	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Notes
RDC	Denise Abbott	No Meeting	X	X	X	X	X	X	No Meeting	X	10/25/23	No Meeting	No Meeting	
	Diane Benczkowski	X	X	X	X	X	X	X	X	X	X	X	X	
	Rev. Mark Blue	X	X	X	X	X	X	X	X	X	X	X	X	
	Hon. Byron Brown	X	X	X	X	X	X	X	X	X	X	X	X	
	James Doherty	X	X	X	X	X	X	X	X	X	X	X	X	
	Hon. Joseph Emminger	X	X	X	X	X	X	X	X	X	X	X	X	
	Dottie Gallagher	X	X	X	X	X	X	X	X	X	X	X	X	
	Michael Hughes	X	X	X	X	X	X	X	X	X	X	X	X	
	Howard Johnson	X	X	X	X	X	X	X	X	X	X	X	X	
	Tyra Johnson	X	X	X	X	X	X	X	X	X	X	X	X	
	Hon. Brian Kulpa	X	X	X	X	X	X	X	X	X	X	X	X	
	Richard Lipsitz	X	X	X	X	X	X	X	X	X	X	X	X	
	Denise McCowan	X	X	X	X	X	X	X	X	X	X	X	X	
	Brenda McDuffie	X	X	X	X	X	X	X	X	X	X	X	X	
	Hon. Glenn Nellis	X	X	X	X	X	X	X	X	X	X	X	X	
	Hon. Mark Poloncarz	X	X	X	X	X	X	X	X	X	X	X	X	
	Rev. Darius Pridgen	X	X	X	X	X	X	X	X	X	X	X	X	
	Kenneth Schoetz	X	X	X	X	X	X	X	X	X	X	X	X	
	Paul Vukelic	X	X	X	X	X	X	X	X	X	X	X	X	

2023 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
ILDC		No Meeting	2/22/23	3/22/23	4/26/23	5/31/23	No Meeting	No Meeting	No Meeting	9/27/23	10/25/23	No Meeting	12/20/23	
	Denise Abbott		X	X	X	X				X			X	
	Hon. April Baskin		X			X					X			
	Hon. Byron Brown		X											
	Daniel Castle		X	X	X	X				X	X		X	
	Hon. Howard Johnson			X	X						X			
	Richard Lipsitz			X	X	X				X	X		X	
	Hon. Mark Poloncarz		X	X	X	X				X	X		X	



Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2023

Run Date: 03/12/2024
 Status: UNSUBMITTED
 Certified Date : N/A

Procurement Information:

Question	Response	URL (if Applicable)
1. Does the Authority have procurement guidelines?	Yes	https://www.ecdaily.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)(g) 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 Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2023

Run Date: 03/12/2024
Status: UNSUBMITTED
Certified Date : N/A

Procurement Transactions Listing:

1.	Vendor Name	360 PSG.com	Address Line1	678 Sheridan Drive
	Type of Procurement	Technology - Consulting/Development or Support	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	TONAWANDA
	Award Date	9/21/2010	State	NY
	End Date		Postal Code	14150
	Fair Market Value		Plus 4	
	Amount	\$5,285.00	Province/Region	
	Amount Expended For Fiscal Year	\$5,285.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Website maintenance, tax incentive/loan application updates

2.	Vendor Name	Accident Fund Insurance Company of America	Address Line1	200 N. Grand Avenue
	Type of Procurement	Other	Address Line2	
	Award Process	Authority Contract - Competitive Bid	City	LANSING
	Award Date	12/31/2022	State	MI
	End Date	12/31/2023	Postal Code	48933
	Fair Market Value		Plus 4	
	Amount	\$7,850.00	Province/Region	
	Amount Expended For Fiscal Year	\$7,850.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Second excess liability coverage 12/31/22-12/31/23

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2023

Run Date: 03/12/2024
Status: UNSUBMITTED
Certified Date : N/A

3. Vendor Name	Amherst Chamber of Commerce, Inc.	Address Line1	400 Essjay Road
Type of Procurement	Other	Address Line2	Suite 150
Award Process	Non Contract Procurement/Purchase Order	City	WILLIAMSVILLE
Award Date		State	NY
End Date		Postal Code	14221
Fair Market Value		Plus 4	
Amount		Province/Region	United States
Amount Expended For Fiscal Year	\$5,004.00	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Erie County Business Task Force website development funding (\$4,500), membership and event registrations (\$504)

4. Vendor Name	Audacy Operations, Inc.	Address Line1	500 Corporate Parkway
Type of Procurement	Other Professional Services	Address Line2	Suite 200
Award Process	Non Contract Procurement/Purchase Order	City	BUFFALO
Award Date		State	NY
End Date		Postal Code	14226
Fair Market Value		Plus 4	
Amount		Province/Region	United States
Amount Expended For Fiscal Year	\$29,037.50	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Targeted local radio and social media advertising

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2023

Run Date: 03/12/2024
Status: UNSUBMITTED
Certified Date : N/A

5. Vendor Name	Beazley Insurance Co.	Address Line1	45 Rockefeller Plaza
Type of Procurement	Other	Address Line2	16th Floor
Award Process	Authority Contract - Competitive Bid	City	NEW YORK
Award Date	12/31/2022	State	NY
End Date	12/31/2024	Postal Code	10111
Fair Market Value		Plus 4	
Amount	\$7,240.00	Province/Region	United States
Amount Expended For Fiscal Year	\$7,240.00	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Cyber liability insurance 12/31/22-12/31/23 and 12/31/23-12/31/24

6. 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 Fiscal Year	\$35,270.00	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Targeted advertising campaigns in local weekly business publication and event sponsorships

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2023

Run Date: 03/12/2024
Status: UNSUBMITTED
Certified Date: N/A

7.	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	United States
	Amount Expended For Fiscal Year	\$9,000.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Annual sponsorship and membership dues

8.	Vendor Name	Buffalo Southern Railroad	Address Line1	8600 Depot Street
	Type of Procurement	Commodities/Supplies	Address Line2	
	Award Process	Non Contract Procurement/Purchase Order	City	EDEN
	Award Date		State	NY
	End Date		Postal Code	14057
	Fair Market Value		Plus 4	
	Amount		Province/Region	United States
	Amount Expended For Fiscal Year	\$30,306.19	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Materials reimbursement for crossing and tie/ballast replacement

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2023

Run Date: 03/12/2024
Status: UNSUBMITTED
Certified Date: N/A

9. 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

10. 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	\$715,502.80	Province/Region	
Amount Expended For Fiscal Year	\$268,160.12	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: 12/31/2023

Run Date: 03/12/2024
 Status: UNSUBMITTED
 Certified Date : N/A

11. Vendor Name	Chubb	Address Line1	1133 Avenue of the Americas
Type of Procurement	Other	Address Line2	
Award Process	Authority Contract - Competitive Bid	City	NEW YORK
Award Date	1/1/2023	State	NY
End Date	12/31/2023	Postal Code	10036
Fair Market Value		Plus 4	
Amount	\$44,078.00	Province/Region	United States
Amount Expended For Fiscal Year	\$44,078.00	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Directors & officers insurance 1/1/23-1/1/24

12. Vendor Name	Copler Fax Business Technologies, Inc.	Address Line1	465 Ellcott 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	\$13,683.91	Province/Region	United States
Amount Expended For Fiscal Year	\$13,683.91	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	DocuWare annual maintenance charges (\$7,010.00), and copier charges (\$6,673.91).

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2023

Run Date: 03/12/2024
Status: UNSUBMITTED
Certified Date: N/A

13. Vendor Name	Dell Marketing LP	Address Line1	One Dell Way
Type of Procurement	Technology - Software	Address Line2	
Award Process	Purchased Under State Contract	City	ROUND ROCK
Award Date		State	TX
End Date		Postal Code	78682
Fair Market Value		Plus 4	
Amount		Province/Region	
Amount Expended For Fiscal Year	\$8,262.86	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Software user licenses

14. 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	11/30/2023	Postal Code	10017
Fair Market Value		Plus 4	
Amount	\$179,035.52	Province/Region	
Amount Expended For Fiscal Year	\$179,035.52	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Rent and utilities for offices at 95 Perry Street

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2023

Run Date: 03/12/2024
Status: UNSUBMITTED
Certified Date: N/A

15. Vendor Name	Guardian	Address Line1	10 Hudson Yards
Type of Procurement	Other	Address Line2	
Award Process	Authority Contract - Non-Competitive Bid	City	NEW YORK
Award Date	1/1/2023	State	NY
End Date	12/31/2023	Postal Code	10001
Fair Market Value	\$18,444.84	Plus 4	
Amount	\$18,444.84	Province/Region	
Amount Expended For Fiscal Year	\$18,444.84	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Dental Insurance for ECIDA employees.

16. Vendor Name	Harris Beach, PLLC	Address Line1	Larkin at Exchange
Type of Procurement	Legal Services	Address Line2	726 Exchange Street, Suite 1000
Award Process	Authority Contract - Competitive Bid	City	BUFFALO
Award Date	1/12/2009	State	NY
End Date	5/1/2024	Postal Code	14210
Fair Market Value		Plus 4	
Amount	\$38,023.14	Province/Region	
Amount Expended For Fiscal Year	\$38,023.14	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Legal services.

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2023

Run Date: 03/12/2024
 Status: UNSUBMITTED
 Certified Date: N/A

17. 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	1/1/2023	State	NY
End Date	12/31/2023	Postal Code	14202
Fair Market Value	\$7,050.80	Plus 4	
Amount	\$7,050.80	Province/Region	United States
Amount Expended For Fiscal Year	\$7,050.80	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Health insurance for employees

18. 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	12/1/2022	State	NY
End Date	12/31/2023	Postal Code	14221
Fair Market Value	\$178,656.18	Plus 4	
Amount	\$178,656.18	Province/Region	United States
Amount Expended For Fiscal Year	\$178,656.18	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: 12/31/2023

Run Date: 03/12/2024
Status: UNSUBMITTED
Certified Date: N/A

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

20. Vendor Name	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	United States
Amount Expended For Fiscal Year	\$9,925.58	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	IT services subscription, multi-factor authentication software

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2023

Run Date: 03/12/2024
 Status: UNSUBMITTED
 Certified Date: N/A

21. Vendor Name	Layer 3 Technologies, Inc.	Address Line1	1645 Lyell Avenue
Type of Procurement	Technology - Software	Address Line2	Suite 200
Award Process	Purchased Under State Contract	City	ROCHESTER
Award Date		State	NY
End Date		Postal Code	14606
Fair Market Value		Plus 4	
Amount		Province/Region	
Amount Expended For Fiscal Year	\$9,925.58	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	IT services and multi-factor authentication tool

22. 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 Fiscal Year	\$35,732.50	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Consulting and planning services related to the Shoreline Trail Enhancement Project.

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2023

Run Date: 03/12/2024
Status: UNSUBMITTED
Certified Date : N/A

23. Vendor Name	Lumsden McCormick, LLP	Address Line1	369 Franklin Street
Type of Procurement	Other Professional Services	Address Line2	
Award Process	Authority Contract - Competitive Bid	City	BUFFALO
Award Date	9/28/2022	State	NY
End Date	6/30/2025	Postal Code	14202
Fair Market Value		Plus 4	
Amount	\$29,000.00	Province/Region	United States
Amount Expended For Fiscal Year	\$29,000.00	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Independent audit services

24. Vendor Name	Merchants Mutual Insurance Co.	Address Line1	250 Main Street
Type of Procurement	Other	Address Line2	
Award Process	Authority Contract - Competitive Bid	City	BUFFALO
Award Date	12/31/2022	State	NY
End Date	12/31/2023	Postal Code	14202
Fair Market Value		Plus 4	
Amount	\$17,509.00	Province/Region	United States
Amount Expended For Fiscal Year	\$17,509.00	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Commercial umbrella coverage 12/31/22-12/31/23

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2023

Run Date: 03/12/2024
Status: UNSUBMITTED
Certified Date: N/A

25. 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	5/1/2022	State	NY
End Date	4/30/2024	Postal Code	10166
Fair Market Value	\$11,774.64	Plus 4	
Amount	\$11,774.64	Province/Region	United States
Amount Expended For Fiscal Year	\$11,774.64	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

26. Vendor Name	Michigan Street Development, LLC	Address Line1	701 Seneca Street
Type of Procurement	Other	Address Line2	Suite 200
Award Process	Authority Contract - Non-Competitive Bid	City	BUFFALO
Award Date	12/1/2023	State	NY
End Date	7/31/2027	Postal Code	14210
Fair Market Value	\$584,125.64	Plus 4	
Amount	\$584,125.64	Province/Region	United States
Amount Expended For Fiscal Year	\$13,275.58	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: 12/31/2023

Run Date: 03/12/2024
 Status: UNSUBMITTED
 Certified Date : N/A

27. 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	United States
Amount Expended For Fiscal Year	\$7,185.22	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Workers comp insurance premiums 12/29/23-12/28/24

28. Vendor Name	New York Association of Training and Employment Professionals (NYATEP)	Address Line1	PO Box 648
Type of Procurement	Other	Address Line2	
Award Process	Non Contract Procurement/Purchase Order	City	ALBANY
Award Date		State	NY
End Date		Postal Code	12201
Fair Market Value		Plus 4	
Amount		Province/Region	United States
Amount Expended For Fiscal Year	\$5,900.00	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	2022 conference sponsorship and 2023 conference registrations

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2023

Run Date: 03/12/2024
Status: UNSUBMITTED
Certified Date: N/A

29. Vendor Name	New York State Economic Development Council (NYSEDC)	Address Line1	111 Washington Avenue
Type of Procurement	Other	Address Line2	4th Floor
Award Process	Non Contract Procurement/Purchase Order	City	ALBANY
Award Date		State	NY
End Date		Postal Code	12210
Fair Market Value		Plus 4	
Amount		Province/Region	United States
Amount Expended For Fiscal Year	\$10,960.00	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Sponsorships for events (\$6,500), membership dues (\$2,000), event registrations (\$2,460)

30. 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	12/31/2022	State	PA
End Date	12/31/2023	Postal Code	19176
Fair Market Value		Plus 4	
Amount	\$41,649.62	Province/Region	United States
Amount Expended For Fiscal Year	\$41,649.62	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	General liability insurance, municipal package insurance for 2023 calendar year.

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2023

Run Date: 03/12/2024
Status: UNSUBMITTED
Certified Date : N/A

31. Vendor Name	Pitney Bowes, Inc.	Address Line1	25 N. Pointe Parkway
Type of Procurement	Other	Address Line2	
Award Process	Non Contract Procurement/Purchase Order	City	BUFFALO
Award Date		State	NY
End Date		Postal Code	14228
Fair Market Value		Plus 4	
Amount		Province/Region	United States
Amount Expended For Fiscal Year	\$6,048.50	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Postage

32. Vendor Name	Print2Web, LLC	Address Line1	25 John Glenn Drive, Suite 102
Type of Procurement	Other Professional Services	Address Line2	
Award Process	Non Contract Procurement/Purchase Order	City	AMHERST
Award Date		State	NY
End Date		Postal Code	14228
Fair Market Value		Plus 4	
Amount		Province/Region	United States
Amount Expended For Fiscal Year	\$13,782.50	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	2022 Annual Report graphic design and printing (\$7,200), 2024 calendars (\$4,750), report printing (\$1,832.50)

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2023

Run Date: 03/12/2024
Status: UNSUBMITTED
Certified Date : N/A

33. Vendor Name	The Buffalo News	Address Line1	PO Box 650
Type of Procurement	Other	Address Line2	
Award Process	Non Contract Procurement/Purchase Order	City	BUFFALO
Award Date		State	NY
End Date		Postal Code	14240
Fair Market Value		Plus 4	
Amount		Province/Region	
Amount Expended For Fiscal Year	\$17,040.75	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Public hearing notices, subscriptions

34. Vendor Name	Veraview LLC	Address Line1	610 Main Street
Type of Procurement	Technology - Hardware	Address Line2	Suite 400
Award Process	Purchased Under State Contract	City	BUFFALO
Award Date		State	NY
End Date		Postal Code	14202
Fair Market Value		Plus 4	
Amount		Province/Region	
Amount Expended For Fiscal Year	\$5,863.00	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Audiovisual equipment and installation

Procurement Report for Eris County Industrial Development Agency

Fiscal Year Ending: 12/31/2023

Run Date: 03/12/2024
Status: UNSUBMITTED
Certified Date: N/A

35. Vendor Name	W.B. Mason Co., Inc.	Address Line1	P.O. Box 981101
Type of Procurement	Commodities/Supplies	Address Line2	
Award Process	Non Contract Procurement/Purchase Order	City	BOSTON
Award Date		State	MA
End Date		Postal Code	02298
Fair Market Value		Plus 4	
Amount		Province/Region	
Amount Expended For Fiscal Year	\$13,417.19	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Office supplies

36. Vendor Name	Wendel WD Architecture, Engineering, Surveying & Landscape Architecture, PC	Address Line1	375 Essjay Road
Type of Procurement	Consulting Services	Address Line2	Suite 200
Award Process	Authority Contract - Competitive Bid	City	WILLIAMSVILLE
Award Date	9/20/2022	State	NY
End Date	3/1/2023	Postal Code	14221
Fair Market Value		Plus 4	
Amount	\$69,500.00	Province/Region	
Amount Expended For Fiscal Year	\$28,975.00	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Consulting services related to Smokes Creek Passive Recreational Area conceptual alternatives

Procurement Report for Erie County Industrial Development Agency

Fiscal Year Ending: 12/31/2023

Run Date: 03/12/2024
Status: UNSUBMITTED
Certified Date : N/A

37.	Vendor Name	Windstream	Address Line1	P.O. Box 9001013
	Type of Procurement	Telecommunication Equipment or Services	Address Line2	
	Award Process	Purchased Under State Contract	City	LOUISVILLE
	Award Date		State	KY
	End Date		Postal Code	40290
	Fair Market Value		Plus 4	
	Amount		Province/Region	United States
	Amount Expended For Fiscal Year	\$24,333.72	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Phone and Internet Services

Additional Comments



Procurement Report for Buffalo and Erie County Regional Development Corporation

Fiscal Year Ending: 12/31/2023

Run Date: 03/12/2024
 Status: UNSUBMITTED
 Certified Date : N/A

Procurement Information:

Question	Response	URL (if Applicable)
1. Does the Authority have procurement guidelines?	Yes	
2. Are the procurement guidelines reviewed annually, amended if needed, and approved by the Board?	Yes	https://www.ecidany.com/about-us-corporate-policies
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: 12/31/2023

Run Date: 03/12/2024
 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	United States
	Amount Expended For Fiscal Year	\$10,800.00	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Marketing and target email blasts for loan program in local weekly business publication.

2.	Vendor Name	Erie County IDA	Address Line1	95 Perry Street
	Type of Procurement	Staffing Services	Address Line2	Suite 403
	Award Process	Non Contract Procurement/Purchase Order	City	BUFFALO
	Award Date		State	NY
	End Date		Postal Code	14203
	Fair Market Value		Plus 4	
	Amount		Province/Region	United States
	Amount Expended For Fiscal Year	\$291,288.99	Country	United States
	Explain why the Fair Market Value is Less than the Amount		Procurement Description	Management fee to Erie County IDA for staffing services, rent, and expense reimbursement.

Procurement Report for Buffalo and Erie County Regional Development Corporation

Fiscal Year Ending: 12/31/2023

Run Date: 03/12/2024
 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	\$78,175.63	Province/Region	United States
Amount Expended For Fiscal Year	\$78,175.63	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Legal services related to lending activity.

4. Vendor Name	Lumsden McCormick, LLP	Address Line1	369 Franklin Street
Type of Procurement	Other Professional Services	Address Line2	
Award Process	Authority Contract - Competitive Bid	City	BUFFALO
Award Date	9/28/2022	State	NY
End Date	6/30/2025	Postal Code	14202
Fair Market Value		Plus 4	
Amount	\$16,000.00	Province/Region	United States
Amount Expended For Fiscal Year	\$16,000.00	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: 12/31/2023

Run Date: 03/12/2024
Status: UNSUBMITTED
Certified Date : N/A

Additional Comments



Procurement Report for Buffalo and Erie County Industrial Land Development Corporation

Fiscal Year Ending: 12/31/2023

Run Date: 03/12/2024
 Status: UNSUBMITTED
 Certified Date : N/A

Procurement Information:

Question	Response	URL (if Applicable)
1. Does the Authority have procurement guidelines?	Yes	https://www.ecidairy.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: 12/31/2023

Run Date: 03/12/2024
Status: UNSUBMITTED
Certified Date : N/A

Procurement Transactions Listing:

1. Vendor Name	C&S Engineers, Inc.	Address Line1	499 Col. Eileen Collins Boulevard
Type of Procurement	Consulting Services	Address Line2	
Award Process	Authority Contract - Non-Competitive Bid	City	SYRACUSE
Award Date	11/7/2022	State	NY
End Date	11/28/2022	Postal Code	13212
Fair Market Value	\$9,500.00	Plus 4	
Amount	\$9,500.00	Province/Region	United States
Amount Expended For Fiscal Year	\$9,500.00	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Benefit analysis related to railroad yard relocation cost

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	\$1,538,273.60	Province/Region	United States
Amount Expended For Fiscal Year	\$1,105,657.93	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: 12/31/2023

Run Date: 03/12/2024
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	United States
Amount Expended For Fiscal Year	\$116,648.60	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	7/28/2021	State	NY
End Date		Postal Code	14203
Fair Market Value		Plus 4	
Amount	\$337,955.42	Province/Region	United States
Amount Expended For Fiscal Year	\$39,283.83	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.

Procurement Report for Buffalo and Erie County Industrial Land Development Corporation

Fiscal Year Ending: 12/31/2023

Run Date: 03/12/2024
Status: UNSUBMITTED
Certified Date : N/A

5. Vendor Name	Folt 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	\$329,514.75	Province/Region	United States
Amount Expended For Fiscal Year	\$67,595.50	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.

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	\$29,849.03	Province/Region	United States
Amount Expended For Fiscal Year	\$29,849.03	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Legal services (ILDC General Counsel) based on hourly rates.

Procurement Report for Buffalo and Erie County Industrial Land Development Corporation

Fiscal Year Ending: 12/31/2023

Run Date: 03/12/2024
 Status: UNSUBMITTED
 Certified Date : N/A

7. Vendor Name	KLW Appraisal Group, Inc.	Address Line1	247 Cayuga Road
Type of Procurement	Consulting Services	Address Line2	
Award Process	Non Contract Procurement/Purchase Order	City	CHEEKTOWAGA
Award Date		State	NY
End Date		Postal Code	14225
Fair Market Value		Plus 4	
Amount		Province/Region	
Amount Expended For Fiscal Year	\$8,300.00	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Professional property appraisals

8. Vendor Name	LaBella Associates PC	Address Line1	300 State Street
Type of Procurement	Consulting Services	Address Line2	Suite 201
Award Process	Authority Contract - Competitive Bid	City	ROCHESTER
Award Date	8/28/2019	State	NY
End Date		Postal Code	14614
Fair Market Value		Plus 4	
Amount	\$7,450.00	Province/Region	
Amount Expended For Fiscal Year	\$7,450.00	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Environmental services to assist with due diligence efforts in connection with the purchase and redevelopment of brownfield and various property sites in Erie County. Annual BCP certification and annual PRR report.

Procurement Report for Buffalo and Erie County Industrial Land Development Corporation

Fiscal Year Ending: 12/31/2023

Run Date: 03/12/2024
 Status: UNSUBMITTED
 Certified Date : N/A

9. Vendor Name	Lackawanna City Treasurer	Address Line1	714 Ridge Road
Type of Procurement	Other	Address Line2	
Award Process	Non Contract Procurement/Purchase Order	City	LACKAWANNA
Award Date		State	NY
End Date		Postal Code	14218
Fair Market Value		Plus 4	
Amount		Province/Region	United States
Amount Expended For Fiscal Year	\$69,823.76	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.

10. Vendor Name	Plinto Construction Services, Inc.	Address Line1	132 Dingsen Street
Type of Procurement	Design and Construction/Maintenance	Address Line2	
Award Process	Authority Contract - Competitive Bid	City	BUFFALO
Award Date	9/28/2022	State	NY
End Date		Postal Code	14208
Fair Market Value		Plus 4	
Amount	\$6,086,001.03	Province/Region	United States
Amount Expended For Fiscal Year	\$4,916,059.65	Country	United States
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Construction of sewer and water line extensions at Renaissance Commerce Park

Procurement Report for Buffalo and Erie County Industrial Land Development Corporation

Fiscal Year Ending: 12/31/2023

Run Date: 03/12/2024
 Status: UNSUBMITTED
 Certified Date: N/A

11. 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	\$181,360.00	Province/Region	United States
Amount Expended For Fiscal Year	\$149,860.00	Country	
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.

12. 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	\$445,973.00	Province/Region	United States
Amount Expended For Fiscal Year	\$64,661.30	Country	
Explain why the Fair Market Value is Less than the Amount		Procurement Description	Erie County Agribusiness Park Master Plan/GEIS



Procurement Report for Buffalo and Erie County Industrial Land Development Corporation

Fiscal Year Ending: 12/31/2023

Run Date: 03/12/2024
Status: UNSUBMITTED
Certified Date : N/A

Additional Comments

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

Investment Reports
For the year ended December 31, 2023

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

2023 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, 2023 and were approved by the Board of each corporation on March 27, 2024.

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 27, 2024 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 22, 2023.

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 XX, 2024, 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, 2023

Account Type	Financial Institution	G/L Balance		Interest Rate ^a Dec 2023	2023		Restricted	Purpose
		1/1/2023	12/31/2023		Investment Income	Fees		
1 Checking	M&T Bank	526,808	662,215	0.50%	-	2,347		General ECIDA Checking account
2 Savings	M&T Bank	6,948,910	6,814,652	3.25%	-	165,742		General ECIDA Savings account
3 Checking	M&T Bank	11,644	11,709	0.50%	-	65	✓	ECIDA UDAG Fund checking/investment account
4 Savings	M&T Bank	10,913,491	6,220,456	3.25%	-	199,041	✓	ECIDA UDAG Fund Savings/investment account
5 Checking	M&T Bank	206,599	260,883	0.50%	-	1,260	✓	Restricted account for Erie County shortline railroad related activities
6 Savings	M&T Bank	452,106	231,550	3.25%	-	8,498	✓	Restricted account for BLCP, Riverbend and Northland development
7 Savings	M&T Bank	1,820,634	1,624,407	3.25%	-	41,536	✓	Restricted account for North Youngmann Commerce Center & designated Erie County projects
8 Savings	M&T Bank	4,229,566	3,774,971	3.25%	-	89,801	✓	Restricted account for Infrastructure Improvements in the Main Street District
9 Savings	M&T Bank	2,387,879	3,086,042	3.25%	-	64,707	✓	Restricted account for Infrastructure Improvements in the Seneca Street Corridor District
10 Savings	M&T Bank	427,340	794,606	3.25%	-	18,203	✓	Restricted account for Infrastructure Improvements in the Seneca One Tower District.
		<u>\$ 27,924,977</u>	<u>\$ 23,481,492</u>			<u>\$ 591,201</u>		

Notes:

^a The Interest Rate is the annualized rate for the month of December 2023 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, 2023

Account Type	Financial Institution	G/L Balance		Interest Rate ^a Dec 2023	2023		Restricted	Purpose
		1/1/2023	12/31/2023		Investment Income	Fees		
1 Checking	M&T Bank	511,970	787,839	0.50%	2,635	-	√	Legacy Loan Fund Checking/investment account
2 Savings	M&T Bank	4,398,628	2,259,962	3.00%	67,249	-	√	Legacy Loan Fund Savings/investment account
3 Checking	M&T Bank	345,882	956,922	0.50%	2,715	-	√	EDA CARES Act Loan Fund Checking account
		<u>\$ 5,256,480</u>	<u>\$ 4,004,723</u>		<u>\$ 72,599</u>	<u>\$ -</u>		

Notes:

a The Interest Rate is the annualized rate for the month of December 2023 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, 2023

Account Type	Financial Institution	G/L Balance		Interest Rate ^a Dec 2023	2023		Restricted	Purpose
		1/1/2023	12/31/2023		Investment Income	Fees		
1 Checking	M&T Bank	86,003	86,696	0.50%	748	\$ -	√	Erie County BDF Microenterprise Loan account ^b
2 Checking	M&T Bank	648,525	320,649	0.50%	3,695	-		General ILDC checking account
3 Checking	M&T Bank	520,878	0	0.50%	1,940	-	√	Imprest account for Empire State Development grant ^b
		<u>\$ 1,255,405</u>	<u>\$ 407,345</u>		<u>\$ 6,384</u>	<u>\$ -</u>		

Notes:

^a The Interest Rate is the annualized rate for the month of December 2023 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 27th day of March 2024 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 27th day of March 2024 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 27th day of March 2024 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)**

2023 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 1/10/23, 3/16/23, 8/17/23, 9/21/23, 10/19/23 (no quorum), and 10/25/23.

Finance & Audit Committee Self-Evaluation	Yes	No	Pen ding	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 2023, Lumsden McCormick completed audits of the ECIDA, RDC, and ILDC for the year ended 12/31/22. The auditors issued unmodified (clean) opinions that the statements fairly presented the financial position of the above referenced corporations. The auditors also indicated that the audits did not uncover any material weaknesses in internal control and there were no instances of non-compliance in accordance with government auditing standards.</p>

Finance & Audit Committee Self-Evaluation	Yes	No	Pending	Comments
<p>7. Did the Finance & Audit Committee review management's assessment of the effectiveness of the Agency's internal controls and review the actions taken by management on the independent accountants' and auditors' suggestions for correcting weaknesses in the Agency's internal controls, regulatory compliance, and organizational structure and operations?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>Management's assessment of the effectiveness of internal controls was reviewed with the Committee at the 3/16/23 meeting. The March 2023 audit reports did not identify any internal controls or material weaknesses.</p>
<p>8. Did the Finance & Audit Committee:</p> <p>(a) Ensure that the Agency has a confidential mechanism for individuals to report suspected fraudulent activities, allegations of corruption, fraud, criminal activity, conflicts of interest by directors, officers, or employees of the Agency or anyone having business dealings with the Agency?</p> <p>(b) Develop procedures for the receipt, retention, investigation, or referral of complaints concerning accounting, internal controls, and auditing?</p> <p>(c) Request and oversee special investigations as needed or refer specific issues to the Board or appropriate committee for further investigation?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>The ECIDA adopted a Whistleblower Policy in March of 2012. The Policy describes the process for reporting suspected fraudulent activities and describes the protections afforded to individuals who report suspected fraudulent activities. The Policy was re-adopted by the Board of Directors on 3/22/23.</p>
<p>9. Did the Finance & Audit Committee obtain information and training needed to enhance the committee members' understanding of the role of the independent auditor, the risk management process, internal controls, and appropriate level of familiarity in financial reporting standards and processes?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>On 3/16/23, the Committee received an article entitled, "2023: The year of the risk-centric agenda" published by the Deloitte Center for Board Effectiveness.</p>

Finance & Audit Committee Self-Evaluation	Yes	No	Pen ding	Comments
<p>10. Did the Finance & Audit Committee:</p> <p>(a) Report its actions and recommendations to the Board?</p> <p>(b) Report to the Board at least annually regarding any changes to the Finance & Audit Committee Charter?</p> <p>(c) Provide a self-evaluation to the Board on an annual basis?</p> <p>(d) Report to the Board at least annually on the findings of its independent auditors?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>The Committee reported its actions and recommendations to the Board following each meeting. On 3/22/23, 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 2022 financial statements audited by Lumsden McCormick; (4) Corporate Credit Card Policy; (5) 2022 Public Authorities Annual Report; (6) Investment & Deposit Policy; and (7) 2022 Investment Report.</p>

Finance & Audit Committee Self-Evaluation

Other Self-Evaluation Notes

In addition to the above:

- During its 1/10/23 meeting, the Committee discussed the 2022 audit plan with Lumsden McCormick and approved a recommendation to the Board for public sector banking services.
- During its 3/16/23 meeting, the Committee reviewed drafts of the 2022 audited financial statements for the ECIDA, RDC, and ILDC. The Committee also reviewed the 2022 PAAA Annual Report, 2022 Investment Reports, Investment & Deposit Policy, Finance & Audit Committee Charter, Corporate Credit Card Policy, the 2022 Finance & Audit Self-Evaluation, 2022 Management's Assessment of Internal Controls, and Corporate Credit Card Usage Report.
- During its 8/17/23 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 2024 ECIDA, RDC, and ILDC operating and capital budgets and three-year forecasts. The Committee also approved a recommendation for actions related to the lease of office space at 95 Perry Street.
- During the 9/21/23 meeting, the Committee reviewed updated drafts of the 2024 ECIDA, RDC, and ILDC operating and capital budgets and three-year forecasts. The Committee approved a motion to forward the respective budgets to the Boards of each entity for approval.
- During the 10/25/23 meeting, the Committee recommended a tax-exempt bond issuance for Westchester Park Preservation, LP and a refinancing of the City School District of the City of Buffalo Series 2013A bonds 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

2023 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 (physical or email) by the purchaser prior to payment. Invoices are reviewed by the Accounting Manager 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 Accounting Manager. The Accounting Manager 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 Accounting Manager 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, Accounting Manager and Bookkeeper.

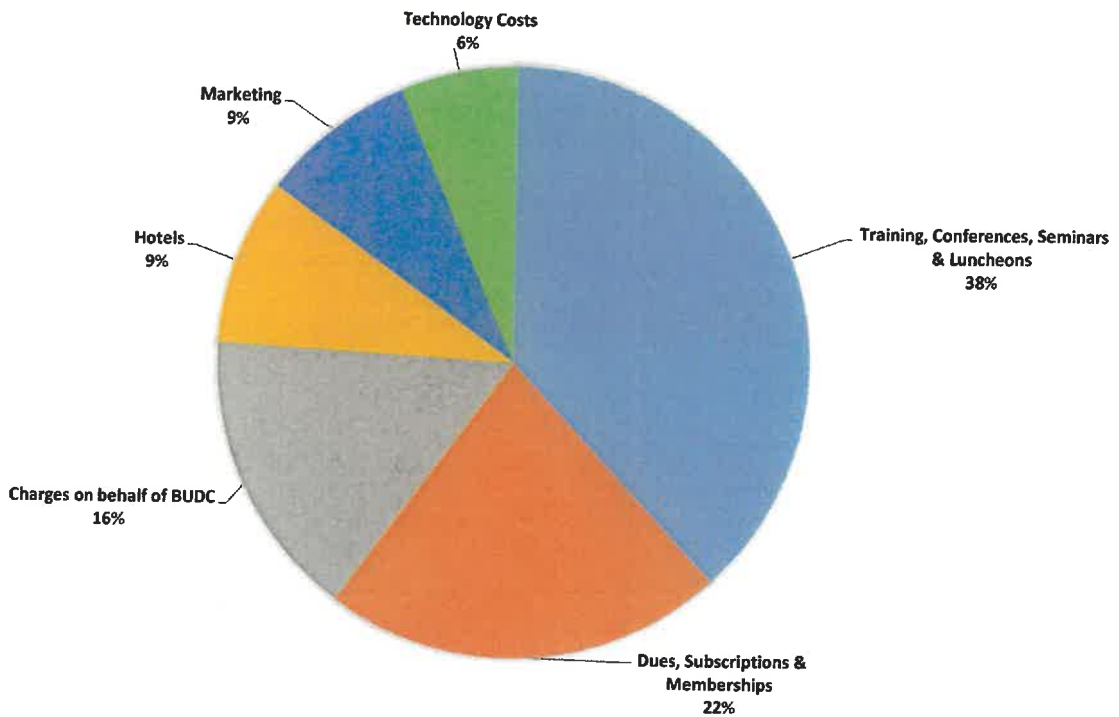
The ECIDA, RDC and ILDC undergo annual financial statement audits by an independent accounting firm, in accordance with Government Auditing Standards. While auditors are not engaged to perform an audit of internal controls, the auditors do review and test internal controls as part of their audit procedures. 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, 2023. 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 3/6/2023 to 2/6/2024

Training, Conferences, Seminars & Luncheons	\$ 16,742
Dues, Subscriptions & Memberships	9,677
Charges on behalf of BUDC	6,954
Hotels	3,992
Marketing	3,744
Technology Costs	2,844
Misc.	1,432
	<u>\$ 45,385</u>



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<https://deloitte.wsj.com/riskandcompliance/audit-committees-so-much-more-than-financial-statement-oversight-ba12fe20>

LEADERSHIP | GOVERNANCE | INTERNAL AUDIT

Audit Committees: So Much More Than Financial Statement Oversight

As the complexity of organizations and the environment in which they operate broadens and deepens, the purview of the audit committee is evolving and expanding faster than ever

The audit committee is evolving.

The pace at which many businesses need to anticipate and adapt to change continues to be unparalleled. As a result, the role of corporate governance and oversight is continually expanding—and accordingly, so is what is expected of audit committees.



Dipti Gulati

Once primarily responsible for overseeing financial reporting and internal controls, ethics and compliance programs, and external and internal audit, audit committees are now finding Artificial Intelligence (AI), cybersecurity, and climate issues hitting many of their agendas, particularly when disclosures are involved. The evolution and expansion of the audit committee's purview generally means the responsibilities of the committee are growing in strategic importance.

In fact, audit committee respondents to Deloitte's most recent Audit

Committee Practices Report anticipate that, outside of financial reporting and controls, cybersecurity (63%), followed by enterprise risk management (45%), and environmental, sustainability, and governance (ESG) disclosure and reporting (39%) are their top three areas of focus this year.

AI – Where Does It Fit?

Issues related to technology are taking up a significant proportion of many audit committees' bandwidth these days, with some sharing anecdotally that up to half of their time is spent on it.

“Emerging technology oversight and responsibility continues to reach new heights,” my colleague Carey Oven, managing partner with Deloitte’s Center for Board Effectiveness, Deloitte & Touche LLP, told a recent gathering of nearly 150 audit committee members and chairs.

Oven emphasized that, “Artificial intelligence seems to be advancing by the nanosecond, leaving many practitioners grappling with what things like ‘GenAI’ and ‘large language models’ even mean. While it’s undeniable that technology can enable opportunity, it can also bring threats that should not be ignored.”

An active conversation is already underway within many organizations regarding where the oversight for various aspects of technology should sit. Should cybersecurity fall under the remit of the audit committee? Or should it be coupled with technology and AI under a specific finance and technology committee? And what should the backgrounds and capabilities of members of those committees be to promote effective and informed oversight?

Consider AI. As companies continue to explore and invest in this new capability, they are tasked with considering numerous business implications, including both operational and reputational risks and risk appetite, governance, and the role of the board.

A recent Deloitte survey of in-house governance professionals representing 97 public companies of varying sizes and industries reveals a lack of consensus on where primary oversight for AI currently lies. The most frequently cited response (29%) is that neither the board nor a committee has express responsibility for AI; 16% indicate it was the responsibility of the audit committee. What’s more, 44% of

respondents report that, to date, AI-related topics have not been on their full board or a committee meeting agenda.

This is not likely to be the case for long. The conversation related to AI has ramped up significantly in the last nine months as organizations have begun to explore the GenAI boom and its possible use cases, which range anywhere from marketing content generation to summarizing large volumes of drone footage to iterating semiconductor chip designs. For the first time, instead of seeking a technology solution to a particular problem, organizations have this incredibly powerful technological tool that, rather than being confined to back-office servers, can be right at the fingertips of employees. We are just beginning to scratch the surface of its capabilities—and, in turn, just starting to get our arms around the potential risks.

ESG – No Longer a Voluntary Endeavor

At many companies, ESG and sustainability is top of mind for board members and management teams alike. As just one indicator, climate-related information is mentioned in more than 90% of S&P 500 companies' 10-K filings.¹ More and more boards are responding to investors' heightened expectations on climate and ESG matters by focusing on and disclosing how their governance structure is evolving to consider ESG more intentionally.

When we surveyed audit committees in 2022, just 10% said they had oversight responsibility for ESG disclosure and reporting; this year, 34% say that responsibility sits with the audit committee. It's likely both increased regulatory and investor focus are responsible for this jump.

Audit committees are increasingly engaging in the ESG agenda due to the growing reliance by investors and other stakeholders on disclosures. Audit committees will likely need to understand whether the same robust internal control over financial reporting also underlie the ESG information and metrics that companies disclose, especially if in SEC filings.

In October, California Gov. Gavin Newsom ratified two new laws that will require comprehensive climate disclosures by large public and private U.S. companies doing business in the state. The Climate Data Accountability Act (SB-253) requires reporting practices on both direct and indirect greenhouse gas emissions, and

Greenhouse gases; climate-related financial risk (SB-261) requires companies to prepare and make publicly available on their websites biennial qualitative reporting on climate-related financial risks as well as measures taken to reduce and adapt to that risk.

While these laws go beyond the scope of climate regulation proposed at the federal level by the SEC, the marketplace cannot rule out other states following California's lead. What's more, U.S. companies operating in Europe are already subject to robust reporting requirements.

In response to new rules, infrastructure is emerging to help companies better equip themselves to navigate the increasingly complex global regulatory environment. The International Sustainability Standards Board (ISSB) is developing a set of internationally consistent, high-quality, and reliable baseline standards for disclosure of sustainability-related information on enterprise value. These voluntary standards will likely be highly valuable for companies because they converge multiple sustainability reporting standards already in use by many companies and are expected to be adopted in jurisdictions around the world.

Ever-Increasing Task List

These are just two of the fast-evolving areas audit committees now often find themselves overseeing in some capacity. From a heightened regulatory landscape to the emergence of new technology to new and expected requirements for climate and cybersecurity, the list of expected audit committee responsibilities continues to grow.

The expansion of the audit committee's role has in turn raised questions about committee composition. More experience might be needed in certain areas but bringing on narrowly-focused subject matter resources could also be challenging. After all, audit committees must still perform their core oversight duties as well as understand the interrelationships among the various areas of risk. For these reasons, boards often prefer to compose their committees with strategic thinkers, who may or may not have deep experience in a particular area.

And let's not forget just how few shoulders these responsibilities lay on: just 12% of respondents to the Audit Committee Practices Report say their audit committee is made up of more than five people; the plurality (36%) indicate their committees

are made up of fewer than four. Not surprisingly a quarter of respondents anticipate making changes to the composition of the audit committee, including increasing its size, in the next 12 months.

With such momentous change affecting all aspects of an organization, there is likely no greater time for both board and committee leadership to demonstrate their influence and challenge conversations around future direction and how best to prepare executives to manage risks for continued growth and success.

— *by Dipti Gulati, Chief Executive Officer of Audit & Assurance, Deloitte & Touche LLP*

1. See the CAQ's S&P 500 10-K Analysis as of June 30, 2022, <https://www.thecaq.org/sp-500-10k/>

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