

Buffalo & Erie County Regional Development Corp.

Investment Report

For the year ended December 31, 2010

Buffalo & Erie County Regional Development Corporation 2010 Annual Investment Report

Purpose of Report:

Under Section 2925(6) of the Public Authorities Law, RDC is required to prepare and approve an annual Investment Report. The investment report is to include: RDC'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, 2010 and was approved by the RDC Board of Directors on March 21, 2011.

Investment Guidelines:

In accordance with Section 2925 of the Public Authorities Law, RDC is required to adopt Investment Guidelines which detail its operative policy and instructions to staff regarding the investing, monitoring and reporting of funds of the Agency. RDC has elected to follow the deposit and investment restrictions contained in Sections 10 and 11 of the General Municipal Law as a "best practice".

The Investment Guidelines were approved by the RDC Board of Directors on March 21, 2011 and are posted on the ECIDA website at <http://www.ecidany.com/about-us-corporate-policies>. The Investment Guidelines are consistent with the prior Guidelines adopted on April 12, 2010.

Investment Audit:

RDC's auditors have audited the corporation's compliance with the Investment Guidelines for Public Authorities. In their report dated March 9, 2011 Toski, Schaefer & Co have indicated that RDC complied, in all material respects, with these Investment Guidelines.

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Account Type	Financial Institution	G/L Balance		Interest Rate** Dec 2010	2010		Restricted	Purpose
		1/1/2010	12/31/2010		Investment Income	Fees		
1 Money Market	Keybank	\$ 3,439,456	\$ 3,765,663	0.10%	\$ 3,877	\$ 540	√	EDA Fund general operating/investment account
2 Money Market	Keybank	483,864	687,508	0.20%	979	15	√	City Fund general operating/investment account
3 Money Market	Keybank	5,395,995	5,422,795	0.20%	10,869	-	√	County Fund general operating/investment account
		<u>\$ 9,319,316</u>	<u>\$ 9,875,967</u>		<u>\$ 15,724</u>	<u>\$ 555</u>		

Notes:

In 2004, Keybank was selected as the financial institution for the RDC accounts based upon a formal Request for Proposal. A new RFP is scheduled for the 2nd quarter of 2011.

** The Interest Rate is the annualized rate for the month of December 2010 and is prior to the deduction of any fees.