

Buffalo and Erie County Industrial Land Development Corporation
Meeting of the Membership
March 27, 2024 at 12:30 p.m.



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

1.0 Call to Order

2.0 Approval of Minutes

- 2.1 Approval of the February 28, 2024 Meeting of the Membership Minutes (Action Item) (Pages 2-4)

3.0 Reports / Action Items / Information Items:

- 3.1 Financial Report (Informational) (Pages 5-8)
3.2 Finance & Audit Committee Update (Informational) (Pages 9-10)
a) Committee Self-Evaluation (Informational) (Pages 11-15)
3.3 Audited Financial Statements (Action Item) (Pages 16-46)
3.4 2023 – Investment Report (Action Item) (Pages 47-49)
3.5 Governance Committee Report (Informational) (Pages 50-51)
a) Committee Self-Evaluation (Informational) (Pages 52-55)
b) Board of Directors Evaluation/Survey (Informational) (Page 56-57)
3.6 Loan Status Report (Informational) (Page 58)

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

1. 2023 - Mission Statement, Performance Measures and Results (Pages 2-17)
2. 2024 - Mission Statement and Performance Measures (Pages 18-25)
3. 2023 - Public Authorities Report (Pages 26-78)

Re-Adopt Policies & Charters (Action Items)

4. Airborne Infectious Disease Policy (Pages 79-87)
5. Board Member Compensation, Reimbursement & Attendance Policy (Page 88)
6. Code of Ethics & Conflict of Interest Policy (Pages 89-94)
7. Defense & Indemnification Policy (Page 95)
8. Corporate Credit Card Policy (Pages 96-98)
9. ECIDA Employee Compensation Program (Pages 99-100)
10. Fee Structure Policy (For ECIDA & ILDC Only) (Page 101)
11. Finance & Audit Committee Charter (Pages 102-106)
12. Governance Committee Charter (Pages 107-109)
13. Investment & Deposit Policy (Pages 110-117)
14. Procurement Policy (Pages 118-122)
15. Professional Services RFP Process and Policy (Pages 123-125)
16. Property Disposition Guidelines (Pages 126-132)
17. Real Property Acquisition Policy (Pages 133-134)
18. Sexual Harassment Policy (Pages 135-143)
19. Statement of Duties & Responsibilities of the Board of Directors (Pages 144-146)
20. Statement of the Competencies & Personal Attributes Required of Board Members (Page 147)
21. Travel, Conferences, Meals & Entertainment Policy (Pages 148-153)
22. Video Conferencing Policy (Pages 154-157)
23. Whistleblower Policy and Procedures (Pages 158-160)

5.0 Management Team Reports:

- 5.1 2023 Year in Review

6.0 Adjournment- Next Meeting April 24, 2024 (Annual Meeting)

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

DATE AND PLACE: February 28, 2024, at the Erie County Industrial Development Agency, 95 Perry Street, 4th Floor Conference Room, Buffalo, New York 14203

PRESENT: Hon. April Baskin, Hon. Byron W. Brown, Daniel Castle and Hon. Howard Johnson

EXCUSED: Denise Abbott, Richard Lipsitz, Jr. and Hon. Mark C. Poloncarz

OTHERS PRESENT: John Cappellino, President & CEO; Beth O’Keefe, Vice President of Operations; Mollie Profic, Chief Financial Officers; Grant Lesswing, Director of Business Development; Soma Hawramee, Compliance Portfolio Manger; Daryl Spulecki, Assistant Loan Manager; Brian Krygier, Director of Information Technology; Carrie Hocieniec, Operations Assistant/Assistant Secretary; Robbie Ann McPherson, Director of Marketing & Communications; Andrew Pawenski, Harris Beach PLLC and Robert G. Murray, Esq., General Counsel/Harris Beach PLLC

GUESTS: Zachary Evans on behalf of Erie County; Nicholas Fiume on behalf of D’Youville College and Jonathan Epstein on behalf of the Buffalo News

There being a quorum present at 1:02 p.m., the Meeting of the Board of Directors of 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 Poloncarz and Vice Chair Lipsitz.

MINUTES

Mr. Brown moved, and Mr. Johnson seconded to approve of the December 20, 2023 minutes. Mr. Cappellino called for the vote and the minutes were unanimously approved.

REPORTS / ACTION ITEMS / INFORMATION ITEMS

Financial Report. Ms. Profic presented the January financial reports. The balance sheet shows ILDC ended the month with total assets of \$17.1M. All the line items stayed fairly

consistent with where they ended in 2023. Liabilities are made up of amounts due to ECIDA (borrowed for RCP/Agribusiness Park project costs pending grant reimbursements) and deferred grant revenue. Net assets total \$7.6M. The January income statement shows \$1,500 of revenue, mainly interest income from loans under the County's Microloan program. There were also \$2,400 of expenses and \$2,800 of special project expenses, resulting in net loss of \$3,700 in January. Mr. Cappellino directed that the report be received and filed.

Finance & Audit Committee Update. Ms. Profic update the board on the most recently completed Finance & Audit Committee meeting and confirmed the Finance & Audit Committee recommended approval of the D'Youville bond project. The Committee also received copies of the audit engagement letters for ECIDA, RDC and ILDC. Mr. Cappellino directed that the report be received and filed.

Governance Committee Update. Ms. O'Keefe provided this report to members. Mr. Cappellino directed that the report be received and filed.

Loan Status Report. Mr. Spulecki provided this report to members. Mr. Cappellino directed that the report be received and filed.

D'Youville University Tax Exempt Bond. Ms. O'Keefe discussed the proposed taxable bond issuance project. General discussion ensued.

Mr. Evans spoke on behalf of Erie County and stated Erie County would like to see positive contract negotiation progress between D'Youville University and AAUP faculty members, and noted that taking care of existing faculty and staff is important before any efforts to bring on new faculty and staff at a whole new program.

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

RESOLUTION AUTHORIZING (A) THE ISSUANCE AND SALE BY BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION (THE "ISSUER") OF ITS TAXABLE REVENUE BONDS (D'YOUVILLE UNIVERSITY PROJECT) IN ONE OR MORE SERIES, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$48,000,000 AND THE EXECUTION OF RELATED DOCUMENTS AND (B) THE EXECUTION OF CERTAIN AMENDMENTS BY THE ISSUER RELATING TO THE ISSUER'S REVENUE BONDS (D'YOUVILLE PROJECT), SERIES 2020A AND THE ISSUER'S REVENUE BONDS (D'YOUVILLE COLLEGE PROJECT), SERIES 2020B (TAXABLE) AND THE EXECUTION OF RELATED DOCUMENTS.

Mr. Johnson moved and Mr. Brown seconded to enter into Executive Session for the purpose of discussing possible sale of real property. The motion was then unanimously approved.

At 1:13 p.m., the Agency entered Executive Session.

Upon motion made by Mr. Johnson and seconded by Mr. Castle, and unanimously approved, the Agency terminated Executive Session at 1:21 p.m.

Approval of Sucro Sourcing Letter of Intent. Mr. Cappellino discussed the proposed sale of land at the Renaissance Commerce Park (RCP) to Sucro Real Estate NY LLC (“Sucro”) consisting of approximately 9.98 +/- acres real property located within the RCP, commonly known as RCP Site #8 and also as Brownfield Cleanup Program Site I-10. Mr. Cappellino described the contents contained within a certain Letter of Intent (“LOI”) to be entered into by and between the ILDC and Sucro, containing a proposal for Sucro’s development of the site, including the construction of a new warehouse, distribution and logistics facility containing approximately 126,000 square feet of space (the “Sucro Project”). Pursuant to the LOI, Sucro’s proposed purchase price for the site is \$55,000 acre, producing a purchase price of \$548,900 for the site. General discussion ensued.

Mr. Johnson moved and Mr. Castle seconded to approve of the LOI for Sucro to purchase land from RCP. Mr. Cappellino then called for the vote and the following resolution was unanimously approved.

RESOLUTION OF THE BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION (THE “ILDC”) AUTHORIZING THE ILDC TO: (i) EXECUTE AND DELIVER A CERTAIN LETTER OF INTENT (“LOI”) BY AND BETWEEN THE ILDC AND SUCRO REAL ESTATE NY, LLC, FOR ITSELF OR ON BEHALF OF AN ENTITY TO BE FORMED (“SUCRO”) RELATIVE TO THE SALE OF RCP SITE #8 (THE “SITE,” AS MORE FULLY DEFINED HEREIN); (ii) NEGOTIATE, EXECUTE, AND DELIVER AN AGREEMENT OF PURCHASE AND SALE TO BE ENTERED INTO BY AND BETWEEN THE ILDC AND SUCRO TO SELL THE SITE; (iii) AUTHORIZE THE SALE OF THE SITE TO SUCRO; (iv) AUTHORIZE THE TRANSFER OF THE CERTIFICATE OF COMPLETION (THE “COC”) FOR THE SITE TO SUCRO, AND THE EXECUTION AND DELIVERY OF ANY REQUIRED NOTICES AND DOCUMENTS WITH RESPECT THERETO; (v) AUTHORIZE THE ISSUANCE OF A NOTICE OF DISPOSITION AS REQUIRED PURSUANT TO THE NEW YORK STATE PUBLIC AUTHORITIES LAW (THE “PAL”); AND (vi) MAKE A DETERMINATION PURSUANT TO THE NEW YORK STATE ENVIRONMENTAL QUALITY REVIEW ACT

There being no further business to discuss, Mr. Cappellino adjourned the meeting at 1:24 p.m.

Dated: February 28, 2024

Elizabeth A. O’Keefe, Secretary

Industrial Land Development Corp.

Financial Statements

As of February 29, 2024

INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")

Balance Sheet

February 29, 2024

	February 2024	January 2024	December 2023
ASSETS:			
Restricted Cash *	\$ 414,308	\$ 403,884	\$ 407,345
Grants Receivable	9,160,559	9,160,559	9,191,178
Loans Receivable, net	478,076	487,094	495,740
Prepaid Acquisition Costs	697,929	697,929	697,929
Total Loan Assets	10,750,872	10,749,465	10,792,192
Capital Assets	6,356,268	6,356,268	6,356,268
Total Assets	\$ 17,107,140	\$ 17,105,734	\$ 17,148,460
 LIABILITIES & NET ASSETS:			
Accounts Payable	\$ -	\$ -	\$ 879,715
Due to/(from) ECIDA	5,362,076	5,360,076	4,519,375
Other Liabilities	4,163,899	4,163,857	4,163,816
Total Liabilities	9,525,975	9,523,933	9,562,905
Restricted Fund Balance	7,581,165	7,581,801	7,585,555
Total Liabilities & Net Assets	\$ 17,107,140	\$ 17,105,734	\$ 17,148,460

Loan Portfolio Summary:	February 2024	January 2024	December 2023
# of Loans	40	40	40

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

INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")

Income Statement Month of February 2024

	Actual vs. Budget		
	Actual	Budget	Variance
REVENUES:			
Interest Income - Loans	\$ 1,623	\$ 1,417	\$ 206
Grant Income - Microloan Program	-	13,667	(13,667)
Proceeds from (Cost of) Land Sales	-	(20,798)	20,798
Total Revenues	1,623	(5,714)	7,337
EXPENSES:			
Management Fee - ECIDA	\$ 2,000	\$ 2,000	\$ -
Professional Services	-	5,600	(5,600)
General Office Expenses	-	417	(417)
Other Expenses	-	840	(840)
Total Expenses	2,000	8,856	(6,856)
SPECIAL PROJECT GRANTS:			
Industrial Land Park - ESD	-	241,554	(241,554)
Industrial Land Park - EDA	-	132,540	(132,540)
Industrial Land Park - ECIDA	79,963	8,333	71,630
Angola Ag Park - ECIDA Grant	-	4,167	(4,167)
Other grant revenue	-	22,564	(22,564)
Industrial Land Park grant reimbursement	-	(25,000)	25,000
Industrial Land Park costs	(80,353)	(382,427)	302,074
Angola Ag Park costs	-	(4,167)	4,167
Other grant expenses	-	(22,564)	22,564
Total Special Project Grants	(390)	(25,000)	24,610
NET OPERATING INCOME/(LOSS):	(767)	(39,571)	38,804
NONOPERATING REVENUE:			
Interest Income	131	167	(36)
Total Nonoperating Revenue	131	167	(36)
NET INCOME/(LOSS):	\$ (636)	\$ (39,404)	\$ 38,768

* Represents an allocation of salary and benefit costs from the ECIDA based on time charged to ILDC. The amount booked is currently based on 2024 budget.

INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")
Income Statement
Year to Date: February 29, 2024

	Actual vs. Budget			Actual vs. Prior Year		
	Actual	Budget	Variance	Actual	Prior Year	Variance
REVENUES:						
Interest Income - Loans	\$ 2,946	\$ 2,833	\$ 112	\$ 2,946	\$ 3,041	\$ (96)
Grant Income - Microloan Program	-	27,333	(27,333)	-	-	-
Proceeds from (Cost of) Land Sales	-	(41,596)	41,596	-	-	-
Total Revenues	2,946	(11,429)	14,375	2,946	3,041	(96)
EXPENSES:						
Management Fee - ECIDA	\$ 4,000	\$ 4,000	-	\$ 4,000	\$ 31,600	\$ (27,600)
Professional Services	-	11,200	(11,200)	-	-	-
General Office Expenses	422	833	(411)	422	(0)	422
Other Expenses	-	1,679	(1,679)	-	2,740	(2,740)
Total Expenses	4,422	17,713	(13,290)	4,422	34,340	(29,918)
SPECIAL PROJECT GRANTS:						
Industrial Land Park - ESD	-	483,108	(483,108)	-	-	-
Industrial Land Park - EDA	-	265,081	(265,081)	-	-	-
Industrial Land Park - ECIDA	79,963	16,667	63,297	79,963	-	79,963
Angola Ag Park - ECIDA Grant	-	8,333	(8,333)	-	-	-
Other grant revenue	-	45,127	(45,127)	-	-	-
Industrial Land Park grant reimbursement	-	(50,000)	50,000	-	-	-
Industrial Land Park costs	(80,353)	(764,855)	684,501	(80,353)	(71,667)	(8,686)
Angola Ag Park costs	(2,841)	(8,333)	5,492	(2,841)	(2,860)	19
Other grant expenses	-	(45,127)	45,127	-	-	-
Total Special Project Grants	(3,231)	(50,000)	46,769	(3,231)	(74,527)	71,296
NET OPERATING INCOME/(LOSS):	(4,707)	(79,141)	74,434	(4,707)	(105,826)	101,119
NONOPERATING REVENUE:						
Interest Income	317	333	(15)	317	545	(228)
Total Nonoperating Revenue	317	333	(15)	317	545	(228)
NET INCOME/(LOSS):	\$ (4,390)	\$ (78,808)	\$ 74,419	\$ (4,390)	\$ (105,281)	\$ 100,890

* Represents an allocation of salary and benefit costs from the ECIDA based on time charged to ILDC. The amount booked is currently based on 2024 budget.



To: ECIDA, RDC & ILDC Boards of Directors
From: Michael Szukala, Chair
Date: March 27, 2024
Re: Finance & Audit Committee Report

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

A joint meeting of the ECIDA, RDC & ILDC Finance & Audit Committee was held on March 21, 2024. Committee members present were: Michael Szukala, Chair, Glenn Nellis, Paul Vukelic, and William Witzleben. The following items were reviewed:

- 1) Lumsden McCormick CPAs Report including Draft 2023 Audited Financial Statements
The Agency’s auditors presented the Draft 2023 Audited Financial Statements for ECIDA, RDC, and ILDC (copies of which are included in respective Board packages).
 - The independent auditors expressed an unmodified (clean) opinion on the financial statements of all entities. This type of opinion indicates that the financial statements present fairly, in all material respects, the financial position of the entities as of December 31, 2023 and the changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.
 - No uncorrected audit adjustments were noted.
 - No significant deficiencies or material weaknesses in internal controls noted.
- 2) Public Authorities Accountability Act (PAAA) 2023 Annual Report
The joint Finance & Audit Committee reviewed the PAAA 2023 Annual Report required under the Public Authorities Law and recommended that it be approved by their respective Boards.
- 3) 2023 Investment Reports
The joint Finance & Audit Committee reviewed the 2023 Investment Reports, which are required under the Public Authorities Law and recommended that they be approved by their respective Boards.
- 4) Re-Adoption of Policies & Charter
The joint Finance & Audit Committee reviewed the following policies and charter of the ECIDA/RDC/ILDC:
 - Corporate Credit Card Policy
 - Investment and Deposit Policy
 - Finance & Audit Committee Charter

ECIDA/RDC/ILDC General Counsel Harris Beach reviewed the above referenced items and did not recommend any changes. The Authorities Budget Office (ABO) did not publish any new recommended guidance for any of these policies.

- 5) Finance & Audit Committee Self-Evaluation
The joint Finance & Audit Committee approved a report that documents the Committee’s activities for 2023 as required under the Public Authorities Law.

- 6) The Committee reviewed Management's Assessment of the Effectiveness of Internal Controls, a document prepared by management based on internal control processes and procedures of the organization. The document will be posted on the website as required by the ABO.
- 7) The Committee reviewed a summary of the corporate credit card usage in accordance with the Corporate Credit Card Policy.
- 8) The Committee reviewed a document entitled "Audit Committees: So Much More Than Financial Statement Oversight" from Deloitte's Center for Board Effectiveness to satisfy the educational requirements set forth in the Finance & Audit Committee Charter.

**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	Pending	Comments
<p>4. Were meeting notices and agendas prepared for each meeting and provided to Finance & Audit Committee members by electronic or regular mail at least five (5) days in advance of the scheduled meeting? Were minutes of all meetings recorded by the Secretary or any Assistant Secretary of the Agency? Did all meetings comply with the requirements of the Open Meetings Law?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
<p>5. Did the Finance & Audit Committee develop the Agency's audit practices, which should address independent auditors and financial statements; internal controls, compliance, and risk assessment; special investigations; and other responsibilities?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	See Questions #6-#10 below.
<p>6. Did the Finance & Audit Committee:</p> <p>(a) Recommend to the Board the appointment of independent auditors, establish the compensation to be paid to the auditors, and provide oversight of the audit services provided by the independent auditor?</p> <p>(b) Establish procedures for the engagement of the independent auditors to provide permitted audited services?</p> <p>(c) Review and approve the Agency's audited financial statements, associated management letter, and all other auditor communications?</p> <p>(d) Review significant accounting and reporting issues and understand their impact on the financial statements of the Agency?</p> <p>(e) Meet with the Agency's independent auditor at least annually to discuss the financial statements of the Agency and any issues that may have arisen during the audit?</p> <p>(f) Review and discuss any significant risks reported in the independent audit and assess the responsiveness of management's follow-up activities regarding same?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>In March 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.

DRAFT

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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**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)

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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.

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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	<u>\$ 7,585,556</u>	<u>\$ 7,349,659</u>

See accompanying notes.

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

Statements of Cash Flows

For the years ended December 31,	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.

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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>

See accompanying notes.

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

Notes to 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.

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*.

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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 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

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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 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

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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

Buffalo & Erie County Industrial Land Development Corp.

Investment Report

For the year ended December 31, 2023

Buffalo & Erie County Industrial Land Development Corporation

2023 Annual Investment Report

Purpose of Report:

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

The attached schedule details the corporation's investment income and related fees for the year ended December 31, 2023 and were approved by the ILDC Board of Directors on March 27, 2024.

Investment Guidelines:

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

The Investment Guidelines were approved by the ILDC Board of Directors on March 27, 2024 and are posted on the ECIDA's website at <http://www.ecidany.com/about-us-corporate-policies>. The Investment Guidelines are consistent with the prior Guidelines adopted on March 22, 2023.

Investment Audit:

ILDC's auditors have audited the corporation's compliance with the Investment Guidelines for Public Authorities. In their report dated March 21, 2024 Lumsden McCormick LLP have indicated that ILDC complied, in all material respects, with these Investment Guidelines.

Buffalo & Erie County Industrial Land Development Corporation (ILDC)

Annual Investment Report

For the year ended December 31, 2023

Account Type	Financial Institution	G/L Balance		Interest Rate ^a Dec 2023	2023		
		1/1/2023	12/31/2023		Investment Income	Fees	Restricted Purpose
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.



To: ECIDA, RDC & ILDC Board of Directors
From: Brenda McDuffie, Governance Committee Chair
Date: March 27, 2024
Re: Governance Committee Report

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

The ECIDA/RDC/ILDC Governance Committee met on March 20, 2024. Committee members present were Brenda McDuffie, Chair, Thomas Baines, Zachary Evans, Tyra Johnson, Brian Kulpa, and David State. The following items were reviewed:

1) 2023 PAAA Annual Report

The Governance Committee reviewed the ECIDA/RDC/ILDC 2023 PAAA Annual Report. No changes were recommended. The PAAA Annual Report will be reviewed by the full Boards during the March 27, 2024 Board meetings.

2) Results of 2023 Performance Measures

The Governance Committee met on January 31, 2024 to discuss the ECIDA/RDC/ILDC Mission Statement and 2023 Performance Measures. The Committee did not recommend any changes during the March 20 meeting. The results of the 2023 Performance Measures will be reviewed by the Boards during the March 27, 2024 Board meetings.

3) Mission Statement and 2024 Performance Measures

The Governance Committee met on January 31, 2024 to discuss the ECIDA/RDC/ILDC Mission Statement and 2024 Performance Measures. During this meeting the Committee provided input and made changes to certain metrics based on current economic conditions. One additional update was recommended during the March 20 meeting. The 2024 Mission Statement & Performance Measures will be reviewed by the Boards during the March 27, 2024 Board meetings.

4) 2023 Board of Directors’ Evaluation/Survey

The Governance Committee reviewed the summary sheets for the ECIDA, RDC, and ILDC Board surveys and discussed the importance of open dialogue and communication. The results will be reviewed with the Boards. The Governance Committee Chair will forward the summary sheets to the Authorities Budget Office (ABO) as required.

5) 2023 Governance Committee Self-Evaluation

The Governance Committee reviewed and approved the 2023 Governance Committee Self-Evaluation. The evaluation documents the activities of the Governance Committee during 2023

6) Re-Adoption of Policies, Charters & Guidelines

The Governance Committee reviewed the following policies, charters & guidelines of the ECIDA/RDC/ILDC:

- Airborne Infectious Disease Policy
- Board Member Compensation, Reimbursement & Attendance Policy
- Code of Ethics & Conflict of Interest Policy
- Defense & Indemnification Policy
- ECIDA Employee Compensation Program
- Fee Structure Policy
- Governance Committee Charter
- Procurement Policy
- Professional Services RFP Process and Policy
- Property Disposition Guidelines
- Real Property Acquisition Policy
- Sexual Harassment Policy
- Statement of Duties & Responsibilities of the Board of Directors
- Statement of the Competencies & Personal Attributes Required of Board Members
- Travel, Conferences, Meals & Entertainment Policy
- Whistleblower Policy and Procedures
- Videoconferencing Participation Policy

ECIDA General Counsel Harris Beach reviewed the above referenced policies and did not recommend any changes. The ABO did not publish any new recommended guidance for any of these policies. The Boards will be asked to re-adopt these policies during the March 27, 2024 Board meetings.

7) PARIS Report Update

The Governance Committee received an update on the status of the ABO's reporting requirements through the Public Authorities Reporting Information System (PARIS). The Agency is on track to complete the ECIDA, RDC, and ILDC PARIS reports on or before the March 31, 2024 deadline.

8) Board Member PAAA Training Update

The Governance Committee members present received an update on the status of the required ABO board member training. The Agency's Compliance Portfolio Manager tracks and forwards training opportunities to board members who have not had the required training and to those who have not had training within the last three years.

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

2023 Governance Committee Self-Evaluation

Responsibilities of the Governance Committee:

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

Governance Committee Self-Evaluation	Yes	No	Pen ding	Comments
1. Are the members of the Governance Committee appointed in accordance with the Bylaws and are individuals appointed to the Governance Committee knowledgeable, or have expressed a willingness to become knowledgeable, in matters pertaining to governance?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
2. Is each member of the Governance Committee an “independent member” within the meaning of, and to the extent required by, Section 2825 of the New York Public Authorities Law, as amended from time to time? Did Governance Committee members, who are members of the Agency, comply with the conflict of interest provisions applicable to public officers under Article 18 of the New York General Municipal Law?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
3. Did the Governance Committee meet a minimum of once (1) each calendar year?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Governance Committee met on 1/26/23, 2/13/23, 3/13/23, and 9/19/23.
4. Were meeting notices and agendas prepared for each meeting and provided to Governance Committee members by electronic or regular mail at least five (5) days in advance of the scheduled meeting? Were minutes of all meetings recorded by the Secretary or any Assistant Secretary of the Agency? Did all meetings comply with the requirements of the Open Meetings Law?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Governance Committee Self-Evaluation	Yes	No	Pending	Comments
5. Did the Governance Committee develop the Agency's governance practices, which should address transparency, independence, accountability, fiduciary responsibilities and management oversight?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	See Questions #6-#9 below.
6. Did the Governance Committee develop a statement of the competencies and personal attributes required of Board members to assist those authorized to appoint members to the Board in identifying qualified individuals (it being acknowledged that membership in the Agency is determined pursuant to Section 891-a of the General Municipal Law)?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	A Statement of the Competencies and Personal Attributes is posted on the ECIDA website. It was approved by the ECIDA Board of Directors on 2/16/10. Revisions to this document were not necessary in 2023.
7. Did the Governance Committee develop and recommend to the Board any revisions to the number and/or structure of Board committees?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No additional committees were recommended by the Governance Committee in 2023.
8. Did the Governance Committee develop and provide recommendations to the Board regarding Board member education, including new member orientation and regularly scheduled Board member training to be obtained from state-approved trainers as required under Section 2824(2) of the New York Public Authorities Law?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>New Board members attend an orientation session hosted by ECIDA staff and are provided with a New Member Orientation Manual.</p> <p>As of 12/31/23, 19 of 19 ECIDA/RDC Board members and 7 of 7 ILDC Board members have received the PAAA required training. All Board members who have not received the training received notifications throughout the year regarding PAAA training session dates.</p>
9. Did the Governance Committee develop, review and recommend to the Board the adoption and/or revisions to the following: (i) the Agency's Code of Ethics. (ii) written policies regarding conflicts of interest.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

Governance Committee Self-Evaluation	Yes	No	Pen ding	Comments
<p>(iii) written policies regarding the protection of whistleblowers from retaliation.</p> <p>(iv) equal opportunity and affirmative action policies.</p> <p>(v) written policies regarding procurement of goods and services, including policies relating to the disclosure of persons who attempt to influence the Agency's procurement process.</p> <p>(vi) written policies regarding the disposition of real and personal property and the acquisition of property.</p> <p>(vii) committee charters, including this Charter.</p> <p>(viii) any other policies or documents relating to the governance of the Agency, including rules and procedures for conducting the business of the Agency's Board, including the Agency's Bylaws. The Governance Committee will oversee the implementation and effectiveness of the Bylaws and other governance documents and recommend modifications to the Board as necessary or appropriate.</p>				<p>Items i) & ii) are included in the ECIDA Code of Ethics and Conflict of Interest Policy. The Code was re-adopted by the full Board during its meeting on 3/22/23.</p> <p>(iii) In 2012, the Governance Committee approved a formal Whistleblower Policy. The Policy was re-adopted by the full Board during its meeting on 3/22/23.</p> <p>iv) The ECIDA's EEO policy is included in the Employee Handbook and the Procurement Policy.</p> <p>v) The ECIDA Procurement Policy was re-adopted by the full Board during its 3/22/23 meeting.</p> <p>vi) The ECIDA Property Disposition Guidelines were re-adopted by the full Board during its meeting on 3/22/23.</p> <p>vii) The ECIDA Governance Committee Charter was re-adopted by the full Board during its meeting on 3/23/22.</p> <p>viii) At its 3/13/23 meeting, the Governance Committee reviewed and recommended the adoption of the Airborne Infectious Disease Policy (ECIDA/RDC/ILDC). The policy was adopted by the full Board during its meeting on 3/22/23.</p>
<p>10. Did the Governance Committee:</p> <p>(i) report its actions and recommendations to the Board at each regular meeting of the Board following a meeting of the Governance Committee and when otherwise requested by the Board.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>The Committee reports its actions and recommendations to the Board following each meeting.</p> <p>i) & ii) As stated above, all policies/guidelines referenced above were adopted or re-adopted by the Board on 3/22/23.</p>

Governance Committee Self-Evaluation	Yes	No	Pen ding	Comments
<p>(ii) report to the Board, at least annually, regarding any proposed changes to this Charter.</p> <p>(iii) provide a self-evaluation of the Governance Committee's functions to the Board on an annual basis.</p>				<p>iii) On 3/13/23, the Committee performed a Self-Evaluation for the calendar year 2022 and provided a status report to the Board on 3/22/23.</p>

Governance Committee Self-Evaluation
<p>Other Self-Evaluation Notes</p>
<ol style="list-style-type: none"> 1) During its 1/26/23, 2/13/23, and 3/13/23 meetings, the Governance Committee, ECIDA staff and counsel discussed the results of ECIDA's 2022 Performance Measures. 2) During its 1/26/23, 2/13/23, and 3/13/23 meetings, the Governance Committee, ECIDA staff and counsel discussed the ECIDA Mission Statement and 2023 Performance Measures. 3) During its 3/13/23 meeting, the Governance Committee reviewed the 2022 Board evaluation for the ECIDA, RDC, and ILDC boards. The Committee discussed the results of these evaluations during the 3/23/23 Board meeting. 4) During its 3/13/23 meeting, the Governance Committee reviewed and recommended the adoption of the Airborne Infectious Disease Policy (ECIDA/RDC/ILDC). The policy was adopted by the full Board during its meeting on 3/22/23. 5) In addition to the above reference policies, the Governance Committee re-adopted the following ECIDA/RDC/ILDC Policies items during its meeting on 3/13/23: (a) Board Member Compensation, Reimbursement & Attendance Policy, (b) Code of Ethics & Conflict of Interest Policy, (c) Defense & Indemnification Policy, (d) ECIDA Employee Compensation Program Fee Structure Policy (ECIDA & ILDC only), (f) Governance Committee charter, (g) Procurement Policy (h) Property Disposition Guidelines, (i) Real Property Acquisition Policy, (j) Sexual Harassment Policy, (k) Statement of Duties & Responsibilities of the Board of Directors, (l) Statement of the Competencies & Personal Attributes Required of Board Members, (m) Travel, Conferences, Meals & Entertainment Policy, (n) Whistleblower Policy. The policies were approved by the full Board during its 3/22/23 meeting. 6) During its 3/13/23 meeting, the ECIDA staff provided the Governance Committee a status update on the ECIDA's Public Authority Reporting Information System (PARIS) report. 7) During the 9/19/23 Governance Committee meeting, the Governance Committee approved the one-year extension plus an additional six-month extension through November 2024 for legal professional services.

2023 ILDC Summary Results of Confidential Evaluation of Board Performance

Criteria	Agree	Some what Agree	Somewhat Disagree	Disagree
	#	#	#	#
Board members have a shared understanding of the mission and purpose of the Authority.	5			
The policies, practices and decisions of the Board are always consistent with this mission.	5			
Board members comprehend their role and fiduciary responsibilities and hold themselves and each other to these principles.	5			
The Board has adopted policies, by-laws, and practices for the effective governance, management and operations of the Authority and reviews these annually.	5			
The Board sets clear and measurable performance goals for the Authority that contribute to accomplishing its mission.	5			
The decisions made by Board members are arrived at through independent judgment and deliberation, free of political influence, pressure or self-interest.	5			
Individual Board members communicate effectively with executive staff so as to be well informed on the status of all important issues.	4	1		
Board members are knowledgeable about the Authority's programs, financial statements, reporting requirements, and other transactions.	3	2		
The Board meets to review and approve all documents and reports prior to public release and is confident that the information being presented is accurate and complete.	4	1		
The Board knows the statutory obligations of the Authority and if the Authority is in compliance with state law.	4	1		
Board and committee meetings facilitate open, deliberate and thorough discussion, and the active participation of members.	5			
Board members have sufficient opportunity to research, discuss, question and prepare before decisions are made and votes taken.	4	1		
Individual Board members feel empowered to delay votes, defer agenda items, or table actions if they feel additional information or discussion is required.	5			
The Board exercises appropriate oversight of the CEO and other executive staff, including setting performance expectations and reviewing performance annually.	5			
The Board has identified the areas of most risk to the Authority and works with management to implement risk mitigation strategies before problems occur.	5			
Board members demonstrate leadership and vision and work respectfully with each other.	5			

Authority: **Buffalo & Erie County Industrial Land Development Corp.**
 Date Completed: **March 6, 2024**

2023 Summary Results of Confidential Evaluation of Board Performance

Criteria	Comments
Board members have a shared understanding of the mission and purpose of the Authority.	
The policies, practices and decisions of the Board are always consistent with this mission.	
Board members comprehend their role and fiduciary responsibilities and hold themselves and each other to these principles.	
The Board has adopted policies, by-laws, and practices for the effective governance, management and operations of the Authority and reviews these annually.	
The Board sets clear and measurable performance goals for the Authority that contribute to accomplishing its mission.	
The decisions made by Board members are arrived at through independent judgment and deliberation, free of political influence, pressure or self-interest.	
Individual Board members communicate effectively with executive staff so as to be well informed on the status of all important issues.	All of these are true, but vary between individual board members. Some members are more active participants than others.
Board members are knowledgeable about the Authority's programs, financial statements, reporting requirements, and other transactions.	
The Board meets to review and approve all documents and reports prior to public release and is confident that the information being presented is accurate and complete.	
The Board knows the statutory obligations of the Authority and if the Authority is in compliance with state law.	Have had great presentations to increase our knowledge and update us on regulations. We rely on counsel to ensure the Board is in compliance.
Board and committee meetings facilitate open, deliberate and thorough discussion, and the active participation of members.	
Board members have sufficient opportunity to research, discuss, question and prepare before decisions are made and votes taken.	The staff is very good and sharing information needed/follow-up information and answering any questions. Packages could sometimes go out earlier.
Individual Board members feel empowered to delay votes, defer agenda items, or table actions if they feel additional information or discussion is required.	
The Board exercises appropriate oversight of the CEO and other executive staff, including setting performance expectations and reviewing performance annually.	
The Board has identified the areas of most risk to the Authority and works with management to implement risk mitigation strategies before problems occur.	We rely on counsel and outside auditors to assess risk and so advise the Board
Board members demonstrate leadership and vision and work respectfully with each other.	

Authority: Erie County Industrial Development Agency (ECIDA); Buffalo and Erie County Regional Development Corporation (RDC) and Buffalo & Erie County Industrial Land Development Corporation (ILDC)

Date Completed: March 6, 2024



Loan Status Report March 2024

<u>ILDC Loans Approved Since Last Meeting</u>	<u>Municipality</u>	<u>Amount</u>
Todd Rosser dba Rosser's Maple and More	Chaffee	\$35,000
<u>ILDC Loans Closed Since Last Meeting</u>	<u>Municipality</u>	<u>Amount</u>
Todd Rosser dba Rosser's Maple and More	Chaffee	\$35,000
<u>Loans in Closing Process</u>	<u>Municipality</u>	<u>Amount</u>
None		
<u>Loans in the Pipeline</u>	<u>Municipality</u>	<u>Amount</u>
Brewtally Honest Coffee, LLC	Orchard Park	\$30,000

<u>2024 - Loans Closed</u>	<u>YTD Loan Total</u>	<u>Jobs to be Created</u>	<u>Retained Jobs</u>
1	\$35,000	1	1

Loan Portfolio Performance

Past Due Loans:

<u>Loan</u>	<u>Outstanding Balance</u>	<u>Amount Past Due</u>	<u>Days Past Due</u>	<u>Comments</u>
Kevin Thie d/b/a Buffalo Firewood	\$34,723	\$1,344	147	Borrower filed Chapter 7 bankruptcy: Pursuing legal action.
Wild Discs, LLC	\$32,202	\$1,008	117	Borrower in process of filing For Ch. 7 Bankruptcy. Pursuing legal action

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

\$66,925 / \$1,181,220 = 5.70% Delinquency Rate (41 Loans)

ILDC Funds Available to Lend: \$210,000