

Buffalo & Erie County Regional Development Corp.
Investment Report
For the year ended December 31, 2016

Buffalo & Erie County Regional Development Corporation 2016 Annual Investment Report

Purpose of Report:

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

The attached schedule details the corporation's investment income and related fees for the year ended December 31, 2016 and were approved by the RDC Board of Directors on March 22, 2017.

Investment Guidelines:

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

The Investment Guidelines were approved by the RDC Board of Directors on March 22, 2017 and are posted on the ECIDA website at <http://www.ecidany.com/about-us-corporate-policies>. The Investment Guidelines are consistent with the prior Guidelines adopted on March 30, 2016.

Investment Audit:

RDC's auditors have audited the corporation's compliance with the Investment Guidelines for Public Authorities. In their report dated March 13, 2017 Lumsden & McCormick have indicated that RDC complied, in all material respects, with these Investment Guidelines.

Buffalo & Erie County Regional Development Corporation (RDC)
Annual Investment Report
For the year ended December 31, 2016

| Account Type | Financial Institution | G/L Balance | | Interest Rate** Dec 2016 | Investment Income | Fees | Restricted | Purpose |
|--------------|-----------------------|----------------------|---------------------|-----------------------------|-------------------|-------------|------------|--|
| | | 1/1/2016 | 12/31/2016 | | | | | |
| 1 Checking | First Niagara | \$ 1,102,969 | \$ - | N/A | \$ 1,405 | \$ - | ✓ | EDA Fund general operating/investment account |
| 2 Checking | First Niagara | 1,437,813 | - | N/A | 389 | - | ✓ | City Fund general operating/investment account |
| 3 Checking | First Niagara | 4,193,814 | - | N/A | 3,230 | - | ✓ | County Fund general operating/investment account |
| 4 Checking | First Niagara | 4,094,810 | - | N/A | 3,152 | - | ✓ | EDA Fund Sequestered account |
| 5 Checking | First Niagara | 1,053,943 | - | N/A | 812 | - | ✓ | City Fund Sequestered account |
| 6 Checking | First Niagara | 1,356,123 | - | N/A | 1,044 | - | ✓ | County Fund Sequestered account |
| 7 Checking | KeyBank | - | 2,180,995 | 0.10% | 1,858 | - | ✓ | EDA Fund general operating/investment account |
| 8 Checking | KeyBank | - | 225,076 | 0.11% | 441 | - | ✓ | City Fund general operating/investment account |
| 9 Checking | KeyBank | - | 8,297 | 0.10% | 3,495 | - | ✓ | County Fund general operating/investment account |
| 10 Checking | KeyBank | - | 4,094,808 | 0.10% | 4,103 | - | ✓ | EDA Fund Sequestered account |
| 11 Checking | KeyBank | - | 1,054,999 | 0.10% | 1,057 | - | ✓ | City Fund Sequestered account |
| 12 Checking | KeyBank | - | 1,332,479 | 0.10% | 1,355 | - | ✓ | County Fund Sequestered account |
| | | <u>\$ 13,239,472</u> | <u>\$ 8,896,654</u> | | <u>\$ 10,032</u> | <u>\$ -</u> | | |

Notes:

During 2016, BUDC and BBRC's accounts were transferred from First Niagara to KeyBank, upon KeyBank's acquisition of First Niagara.

** The Interest Rate is the annualized rate for the month of December 2016 and is prior to the deduction of any fees.