

**BUFFALO ERIE NIAGARA LAND  
IMPROVEMENT CORPORATION**

*Financial Statements, Supplementary Information and  
Other Information for the Years Ended December 31, 2019  
and 2018 and Independent Auditors' Reports*



**BUFFALO ERIE NIAGARA LAND IMPROVEMENT CORPORATION**  
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**Years Ended December 31, 2019 and 2018**

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Certified Public Accountants

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of the Buffalo  
Erie Niagara Land Improvement Corporation:

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Buffalo Erie Niagara Land Improvement Corporation (the "Corporation"), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Corporation as of December 31, 2019 and 2018, and the respective changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### ***Other Information***

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Corporation's basic financial statements. The Schedule of Corporation Investments and the Real Property Listing are presented for purposes of additional analysis and are not a required part of the financial statements.

The Schedule of Corporation Investments 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. Such 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 auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Corporation Investments is fairly stated, in all material respects, in relation to the financial statements as a whole.

The Real Property Listing has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2020 on our consideration of the Corporation's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and 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 the Corporation'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 the Corporation's internal control over financial reporting and compliance.

*Drescher & Malecki LLP*

February 28, 2020

## FINANCIAL SECTION





**BUFFALO ERIE NIAGARA LAND IMPROVEMENT CORPORATION**  
**Statements of Financial Position**  
**December 31, 2019 and 2018**

	<b>2019</b>	<b>2018</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1,425,364	\$ 2,452,718
Restricted cash and cash equivalents	-	19,247
Investments	1,498,948	-
Receivables	63,306	-
Prepaid expenses	3,605	3,728
Total current assets	2,991,223	2,475,693
Noncurrent assets:		
Security deposit	1,856	1,856
Assets held for sale	2,073,774	2,141,699
Total noncurrent assets	2,075,630	2,143,555
Total assets	\$ 5,066,853	\$ 4,619,248
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Operating accounts payable	\$ 57,780	\$ 149,695
Amounts due to municipalities	693,265	687,373
Accrued liabilities	4,839	4,857
Unearned revenue	-	251,743
Total liabilities	755,884	1,093,668
Net assets:		
Without donor restrictions	4,310,969	3,506,333
With donor restrictions:		
Time or purpose	-	19,247
Total net assets	4,310,969	3,525,580
Total liabilities and net assets	\$ 5,066,853	\$ 4,619,248

The notes to the financial statements are an integral part of these statements.

**BUFFALO ERIE NIAGARA LAND IMPROVEMENT CORPORATION**  
**Statement of Activities**  
**Year Ended December 31, 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues:			
Grant revenue	\$ 902,153	\$ -	\$ 902,153
Donation revenue	140,000	59,078	199,078
Property sales	1,771,905	-	1,771,905
Miscellaneous revenue	737	-	737
Total revenues	<u>2,814,795</u>	<u>59,078</u>	<u>2,873,873</u>
Net assets released from restrictions:			
Expiration of purpose restrictions	<u>78,325</u>	<u>(78,325)</u>	<u>-</u>
Total revenues and net assets released from restrictions	<u>2,893,120</u>	<u>(19,247)</u>	<u>2,873,873</u>
Expenses:			
Cost of sales	1,677,772	-	1,677,772
Salary expenses	281,505	-	281,505
Retirement contributions	24,867	-	24,867
Professional services	49,383	-	49,383
Office expenses	47,527	-	47,527
Other expenses	19,189	-	19,189
Total expenses	<u>2,100,243</u>	<u>-</u>	<u>2,100,243</u>
Change in net assets from operating activities	792,877	(19,247)	773,630
Nonoperating activities:			
Interest income	12,373	-	12,373
Unrealized loss on investments	<u>(614)</u>	<u>-</u>	<u>(614)</u>
Total nonoperating activities	<u>11,759</u>	<u>-</u>	<u>11,759</u>
Change in net assets	804,636	(19,247)	785,389
Total net assets—beginning	<u>3,506,333</u>	<u>19,247</u>	<u>3,525,580</u>
Total net assets—ending	<u>\$ 4,310,969</u>	<u>\$ -</u>	<u>\$ 4,310,969</u>

The notes to the financial statements are an integral part of this statement.

**BUFFALO ERIE NIAGARA LAND IMPROVEMENT CORPORATION**  
**Statement of Activities**  
**Year Ended December 31, 2018**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues:			
Grant revenue	\$ 1,062,604	\$ -	\$ 1,062,604
Donation revenue	235,292	35,960	271,252
Property sales	886,155	-	886,155
Miscellaneous revenue	<u>52</u>	<u>-</u>	<u>52</u>
Total revenues	<u>2,184,103</u>	<u>35,960</u>	<u>2,220,063</u>
Net assets released from restrictions:			
Expiration of purpose restrictions	<u>16,713</u>	<u>(16,713)</u>	<u>-</u>
Total revenues and net assets released from restrictions	<u>2,200,816</u>	<u>19,247</u>	<u>2,220,063</u>
Expenses:			
Cost of sales	947,014	-	947,014
Salary expenses	241,858	-	241,858
Retirement contributions	8,405	-	8,405
Professional services	62,234	-	62,234
Office expenses	35,188	-	35,188
Other expenses	32,315	-	32,315
Demolition charges	<u>10,700</u>	<u>-</u>	<u>10,700</u>
Total expenses	<u>1,337,714</u>	<u>-</u>	<u>1,337,714</u>
Change in net assets	863,102	19,247	882,349
Total net assets—beginning	<u>2,643,231</u>	<u>-</u>	<u>2,643,231</u>
Total net assets—ending	<u>\$ 3,506,333</u>	<u>\$ 19,247</u>	<u>\$ 3,525,580</u>

The notes to the financial statements are an integral part of this statement.

**BUFFALO ERIE NIAGARA LAND IMPROVEMENT CORPORATION**  
**Statements of Cash Flows**  
**Years Ended December 31, 2019 and 2018**

	<b>2019</b>	<b>2018</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets from operating activities	\$ 773,630	\$ 882,349
Adjustments to reconcile change in net assets to net cash (used for) provided by operating activities:		
(Increase) decrease in receivables	(63,306)	5,407
Decrease in prepaid expenses	123	56
Decrease (increase) in assets held for sale	67,925	(1,155,702)
(Decrease) increase in operating accounts payable	(91,915)	116,893
Increase in amounts due to municipalities	5,892	275,765
(Decrease) increase in accrued liabilities	(18)	4,135
(Decrease) increase in unearned revenue	(251,743)	220,991
Net cash provided by operating activities	440,588	349,894
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(1,499,562)	-
Interest income	12,373	-
Net cash provided by (used for) investing activities	(1,487,189)	-
Net (decrease) increase in cash and cash equivalents	(1,046,601)	349,894
Cash and cash equivalents—beginning	2,471,965	2,122,071
Cash and cash equivalents—ending	\$ 1,425,364	\$ 2,471,965

The notes to the financial statements are an integral part of these statements.

**BUFFALO ERIE NIAGARA LAND IMPROVEMENT CORPORATION**  
**Notes to the Financial Statements**  
**Years Ended December 31, 2019 and 2018**

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**1. DESCRIPTION OF THE ORGANIZATION**

The Buffalo Erie Niagara Land Improvement Corporation (“the Corporation”) was organized on June 6, 2012, pursuant to Article 16 of the Not-for-Profit Corporation Law of the State of New York. The Corporation was formed through a joint venture of the County of Erie and Cities of Buffalo, Lackawanna, and Tonawanda. The Corporation was created to confront and alleviate the problems distressed properties cause to communities by supporting municipal and regional revitalization efforts and strategically acquiring, improving, assembling, and selling distressed, vacant, abandoned, and/or tax-delinquent properties.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Presentation***—The Corporation prepares its financial statements in accordance with generally accepted accounting principles in the United States of America (“GAAP”) for not-for-profit organizations. The significant accounting and reporting policies used by the Corporation are described subsequently to enhance the usefulness and understandability of the financial statements.

***Basis of Accounting***—The accounts of the Corporation are maintained on the accrual basis of accounting. As such, revenues are recognized in the period in which they are earned and expenses are recognized in the period in which they are incurred. The significant accounting and reporting policies used by the Corporation are described below to enhance the usefulness and understandability of the financial statements.

***Use of Estimates***—The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the financial statements. On an ongoing basis, the Corporation’s management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The Corporation’s management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

***Net Assets***—The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as presented below:

***Net Assets Without Donor Restrictions***—Resources available to support the mission and general operations of the Corporation and not subject to donor (or certain grantor) restrictions.

***Net Assets With Donor Restrictions***—The Corporation reports gifts of cash and other assets as restricted support if they are received with donor-imposed restrictions that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. The Corporation released \$78,325 and \$16,713 from restrictions for eligible expenses

during the years ended December 31, 2019 and 2018, respectively. The Corporation reported \$0 and \$19,247 of net assets with donor restrictions at December 31, 2019 and 2018, respectively.

**Cash and Cash Equivalents**—Cash and cash equivalents include cash on hand, cash on deposit with financial institutions and other highly liquid investments with maturities at the date of purchase of three months or less and are carried at cost, which approximates fair value.

**Restricted Cash and Cash Equivalents**—Restricted cash and cash equivalents represent amounts to support net assets with donor restrictions.

**Investments**—Consists of amounts invested in United States treasury securities. Investments are recorded at fair value, as determined by quoted market prices at December 31, 2019.

**Receivables**—Receivables include amounts due from New York State for grant reimbursable expenses incurred by the Corporation. The Corporation reported grants receivables of \$63,306 and \$0, at December 31, 2019 and 2018, respectively.

**Prepaid Expenses**—Certain payments reflect costs applicable to future accounting periods and are recorded as prepaid expenses. The cost of prepaid expenses is recorded as expenses when consumed rather than purchased. The Corporation reported prepaid expenses of \$3,605 and \$3,728, at December 31, 2019 and 2018, respectively.

**Assets Held for Sale**—Properties acquired by the Corporation for sale are recorded at the lower of cost or fair market value upon acquisition, plus any related capital improvement costs. Mark to market adjustments are made upon sale of individual properties.

**Amounts Due to Municipalities**—Represents amounts due to municipalities for certain estimated back taxes and fees on acquired property held for sale, which are expected to be paid to the appropriate municipalities upon sale of property. The Corporation reported amounts due of \$693,265 and \$687,373 at December 31, 2019 and 2018, respectively.

**Unearned Revenue**—Revenue from grants are recognized as earned; that is, as the related costs are incurred under the grant agreements. Amounts received in advance are reported as unearned revenue. The Corporation reported unearned revenues of \$0 and \$251,743 at December 31, 2019 and 2018, respectively.

**Grant Revenue**—The Corporation receives grant fund revenue from New York State and other agencies. Grant revenue is recognized when the qualifying costs are incurred for cost-reimbursement grants or contracts or when a unit of service is provided for performance grants. The Corporation reported \$902,153 and \$1,062,604 of grant revenue for the years ended December 31, 2019 and 2018, respectively.

**Donation Revenue**—Revenue from donated assets are recorded at the fair market value of the asset, and revenue from cash donations are recorded as the amount received. The Corporation reported \$199,078 and \$271,252 of donation revenue for the years ended December 31, 2019 and 2018, respectively.

**Demolition Charges**—Expenses incurred by municipalities for demolition services performed are submitted to the Corporation for reimbursement. Upon their approval, subject to grant restrictions, they are recorded as demolition charges by the Corporation. The Corporation has incurred \$0 and \$10,700 of demolition charges for the years ended December 31, 2019 and 2018, respectively.

**Tax Status**—The organization is incorporated exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code (“IRC”), though it would be subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the IRC). All applicable tax forms for the Corporation have been filed and accepted by the Internal Revenue Service through the year ended December 31, 2018. The tax years ended December 31, 2018, 2017 and 2016 are still open to audit for federal purposes.

### **3. LIQUIDITY AND AVAILABILITY**

For the years ended December 31, 2019 and 2018, the Corporation reported cash and cash equivalents of \$1,425,364 and \$2,452,718, investments of \$1,498,948 and \$0, and receivables of \$63,306 and \$0, respectively, as financial assets available for general expenditures that are without donor or other restrictions limiting their use, within one year of the balance sheet date.

### **4. CONCENTRATIONS OF RISK**

Amounts held in financial institutions occasionally are in excess of the Federal Deposit Insurance Corporation and Securities Investor Protection Corporation limits. The Corporation deposits its cash with high quality financial institutions, and management believes the Corporation is not exposed to significant credit risk on these amounts.

The Corporation’s investments are subject to various risks, such as interest rate, credit, and overall market volatility risk. Because of the level of risk inherent in most investments, it is reasonably possible that change in the values of these investments could occur in the near term. Management is of the opinion that the diversification of its invested assets and their investment strategy should mitigate the impact of such changes.

### **5. FAIR VALUE MEASUREMENTS**

The Corporation reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

- Level 1. Quoted prices for identical assets or liabilities in active markets to which the Center has access at the measurement date.
- Level 2. Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:
  - Quoted prices for similar assets or liabilities in active markets;
  - Quoted prices for identical or similar assets in markets that are not active;
  - Observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves; and
  - Inputs derived principally from, or corroborated by, observable market data by correlation or by other means.
- Level 3. Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

## 6. INVESTMENTS

Investments consisted of the following at December 31, 2019 and 2018.

	2019		2018	
	Fair Value	Cost	Fair Value	Cost
Treasury bills maturing 12/3/2020	\$ 1,498,948	\$ 1,499,562	\$ -	\$ -
Total investments	<u>\$ 1,498,948</u>	<u>\$ 1,499,562</u>	<u>\$ -</u>	<u>\$ -</u>

All of the Corporation's investments were considered to be Level 1 measurements.

Net investment income is summarized as follows for the years ended December 31, 2019 and 2018:

	2019	2018
Interest income	\$ 12,373	\$ -
Net unrealized loss on investments	<u>(614)</u>	<u>-</u>
Total	<u>\$ 11,759</u>	<u>\$ -</u>

## 7. ASSETS HELD FOR SALE

Assets held for sale consists of the following components at December 31, 2019 and 2018:

	2019	2018
Cost of properties held	\$ 706,086	\$ 827,958
Property improvements	<u>1,367,688</u>	<u>1,313,741</u>
Total	<u>\$ 2,073,774</u>	<u>\$ 2,141,699</u>

## 8. NET ASSETS

***Without Donor Restrictions***—Include resources available to support operations. At December 31, 2019 and 2018, the Corporation reported \$4,310,969 and \$3,506,333, respectively, in net assets without donor restrictions.

***With Donor Restrictions***—Include resources of the Corporation whose use is limited by time or purpose stipulations that can be fulfilled and removed by actions of the Corporation, pursuant to contractual agreement. During the year ended December 31, 2019, the Corporation received \$59,078 in cash donations which have been restricted by the donor for the specific purpose of improving donated property. As of December 31, 2019 and 2018, the Corporation reported \$0 and \$19,247, respectively, of net assets with donor restrictions.



## 9. FUNCTIONAL EXPENSES

A summary of the Corporation's operating expenses for the years ended December 31, 2019 and 2018, classified by function, are as follows:

	2019		
	Support	Program	Total
	Activities	Activities	
	Management & Administration	Property Management	
Cost of sales	\$ -	\$ 1,677,772	
Salary expenses	149,322	132,183	281,505
Retirement contributions	13,190	11,677	24,867
Professional services	49,383	-	49,383
Office expenses	47,527	-	47,527
Other expenses	13,960	5,229	19,189
Total	<u>\$ 273,382</u>	<u>\$ 1,826,861</u>	<u>\$ 2,100,243</u>
	2018		
	Support	Program	Total
	Activities	Activities	
	Management & Administration	Property Management	
Cost of sales	\$ -	\$ 947,014	
Salary expenses	114,837	127,021	241,858
Retirement contributions	4,458	3,947	8,405
Professional services	62,234	-	62,234
Office expenses	35,188	-	35,188
Other expenses	10,944	21,371	32,315
Demolition charges	-	10,700	10,700
Total	<u>\$ 227,661</u>	<u>\$ 1,110,053</u>	<u>\$ 1,337,714</u>

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Corporation. Those expenses include salary expenses and retirement contributions. The natural classifications of salary expenses and retirement contributions are allocated based on estimates of time and effort.

## **10. CONTINGENCIES**

In the normal course of operations, the Corporation receives grant funds from State and other agencies. These grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any disallowed expenses resulting from such audits could become a liability to the Corporation. While the amount of any expense that may be disallowed cannot be determined at this time, management expects any amounts to be immaterial.

## **11. SUBSEQUENT EVENTS**

Management has evaluated subsequent events through February 28, 2020, which is the date the financial statements are available for issuance, and have determined there are no subsequent events that require disclosure under generally accepted accounting principles.

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## SUPPLEMENTARY INFORMATION



**BUFFALO ERIE NIAGARA LAND IMPROVEMENT CORPORATION**  
**Schedule of Corporation Investments**  
**Year Ended December 31, 2019**

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**Annual Investment Report** - §2925(6) of Public Authorities Law of the State of New York requires that each public authority must annually prepare an investment report which shall include (a) investment guidelines, (b) amendments to such guidelines since the last investment report, (c) an explanation of the investment guidelines and amendments, (d) results of the annual independent audit, (e) the investment income record of the corporation, and (f) a list of the total fees, commissions or other charges paid to each investment banker, broker, dealer and adviser rendering investment associated services to the Corporation since the last investment report.

- a. Investment guidelines—The Corporation’s investment policies are governed by State statutes. All investments are maintained in bank deposit accounts which are federally insured. The Corporation’s deposits are held at quality institutions.
- b. Amendments to guidelines—None.
- c. Explanation of guidelines and investments—These guidelines restrict investment of the Corporation’s funds to deposits in federally insured banks. The Corporation has not made any amendments to its investment policy.
- d. Results of the annual independent audit—The independent auditors have issued an unmodified opinion on the Corporation’s financial statements for the year ended December 31, 2019.
- e. Investment income record—Investment income for the year ended December 31, 2019 consisted of:

Interest income	\$ 12,373
Net unrealized loss on investments	<u>(614)</u>
Total	<u>\$ 11,759</u>

- f. List of the total fees, commissions or other charges paid to each investment banker, broker, dealer and adviser rendering investment associated services to the Corporation since the last investment report—No such fees, commissions, or other charges were paid during the year ended December 31, 2019.

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## OTHER INFORMATION





**BUFFALO ERIE NIAGARA LAND IMPROVEMENT CORPORATION**  
**Real Property Listing**  
**Year Ended December 31, 2019**

1. **Real Property List** – §2896(3) of Public Authorities Law of the State of New York requires that each public authority must publish, at least annually, a report listing all real property of the authority. At December 31, 2019, the Corporation owned the following real property:

<b>Date Acquired</b>	<b>Section/Block/Lot Identification</b>	<b>Property Address</b>	<b>Municipality</b>	<b>Recorded Value *</b>
9/19/2016	90.26-1-6	179 Westminster Avenue	Buffalo, NY	\$ 15,013
10/27/2016	195.08-9-5	50 Scott Street	Hamburg, NY	1,878
10/27/2016	195.08-9-4	64 Scott Street	Hamburg, NY	3,717
10/27/2016	104.19-3-13	27 Aurora Street	Lancaster, NY	12,869
10/27/2016	90.84-1-18	51 East End Avenue	Cheektowaga, NY	63,398
10/27/2016	90.84-1-26	77/75 East End Avenue	Cheektowaga, NY	146,982
10/27/2016	133.35-1-33	66 Burch Avenue	West Seneca, NY	177,107
11/24/2017	16.01-2-23	2880 Tonawanda Creek Road	Amherst, NY	3,591
11/24/2017	205.03-1-9	0 Lake Crest Drive	Evans, NY	19,588
11/24/2017	102.37-2-13	166 Straley Avenue	Cheektowaga, NY	434
11/24/2017	26.14-1-2	172 Aegean Avenue	Amherst, NY	5,681
11/24/2017	92.17-2-17	257 Chapel Avenue	Cheektowaga, NY	441
11/24/2017	101.28-13-8	27 Alpine Place	Cheektowaga, NY	366
11/24/2017	101.36-3-7	52 Olcott Place	Cheektowaga, NY	12,431
11/24/2017	91.06-14-19	89 Gardenvale Drive	Cheektowaga, NY	5,282
11/24/2017	90.76-5-2	86 Carol Drive	Cheektowaga, NY	441
11/25/2017	102.53-4-7	40 Reo Avenue	Cheektowaga, NY	441
11/27/2017	92.17-3-4	195 Northcrest Avenue	Cheektowaga, NY	440
5/18/2018	39.77-4-2	91 Fuller Avenue	Tonawanda, NY	28,336
6/20/2018	112.57-2-19.112	34 Longnecker Street	Buffalo, NY	218,357
6/20/2018	112.57-2-19.111	36 Longnecker Street	Buffalo, NY	218,356
10/22/2018	250.15-2-42.1	449 Dawn Avenue	Evans, NY	12,402
10/22/2018	115.25-3-13	26 E. Garfield Street	Lancaster, NY	3,047
10/23/2018	91.14-10-13	2 Redwood Drive	Cheektowaga, NY	131,533
10/23/2018	65.41-2-25	178 Mapleview Drive	Tonawanda, NY	46,214
10/24/2018	193.13-2-1	0 South Creek Road	Evans, NY	232
10/24/2018	103.76-2-17	0 B Street	Depew, NY	1,082
10/24/2018	90.76-2-28	1576 E. Delavan Avenue	Cheektowaga, NY	19,660
10/24/2018	103.760-2-17	25 A-D Glenwood Court	Cheektowaga, NY	4,082
10/24/2018	102.270-1-28	315 Kennedy Avenue	Evans, NY	3,098
10/24/2018	102.45-5-31	97 Reo Avenue	Cheektowaga, NY	89,176
10/24/2018	79.20-11-10	1603 Kensington Avenue	Cheektowaga, NY	27,431
10/24/2018	91.19-3-43	95 Pinehurst Avenue	Cheektowaga, NY	332
10/24/2018	91.18-7-13	140 Toelsin Drive	Cheektowaga, NY	180,117
10/24/2018	104.11-5-14	28 Hinchey Avenue	Lancaster, NY	9,796

(continued)

<b>Date Acquired</b>	<b>Section/Block/Lot Identification</b>	<b>Property Address</b>	<b>Municipality</b>	<b>Recorded Value *</b>
10/24/2018	104.15-9-11	31 Pearl Street	Lancaster, NY	1,635
10/24/2018	26.15-3-30	44 Sunset Court	Amherst, NY	14,892
10/25/2018	91.06-11-32	36 Peachrow Lane	Cheektowaga, NY	3,467
12/3/2018	195.08-8-23	33 West Ave	Hamburg, NY	110,461
11/12/2019	79.69-3-9	2868 Main Street	Buffalo, NY	111,657
11/12/2019	181.09-6-7	34 Wanakah Heights	Hamburg, NY	85,764
11/12/2019	77.48-6-38	149 Crowley Avenue	Buffalo, NY	11,610
11/12/2019	77.49-5-1	159 Crowley Avenue	Buffalo, NY	11,670
11/12/2019	235.15-5-19	29 High Street	Angola, NY	26,270
11/12/2019	235.20-1-4	83 North Main Street	Angola, NY	1
11/12/2019	90.76-2-29	1574 E. Delavan Avenue	Cheektowaga, NY	15,375
11/12/2019	90.84-1-25	75 East End Avenue	Cheektowaga, NY	1
11/12/2019	91.06-2-7	224 S. Huxley Drive	Cheektowaga, NY	15,100
11/12/2019	101.60-2-17	30-32 Euclid Avenue	Cheektowaga, NY	175
11/12/2019	101.60-3-29	19 Euclid Avenue	Cheektowaga, NY	175
11/12/2019	102.53-3-27	35 Hedwig Avenue	Cheektowaga, NY	18,650
11/12/2019	125.11-13-26	53 John Brian Lane	Cheektowaga, NY	25,280
11/12/2019	206.04-3-16	1556 Depot Street	Evans, NY	9,370
11/12/2019	250.08-6-25	9430 Peach Street	Evans, NY	175
11/12/2019	250.07-4-26.1	9644 Jamestown Street	Evans, NY	175
11/12/2019	251.13-4-1	9707 Erie Road	Evans, NY	7,525
11/12/2019	250.17-7-3	139 Rosewood Avenue	Evans, NY	1,250
11/12/2019	250.17-7-5	147 Rosewood Avenue	Evans, NY	1,485
11/12/2019	220.00-1-31.12	8261 Lake Shore Road	Evans, NY	33,850
11/12/2019	235.07-3-6.2	1035 Eden Evans Center Road	Evans, NY	175
11/12/2019	250.07-4-26.1	9406 Jamestown Street	Evans, NY	175
11/12/2019	250.08-5-41.1	531 A Herr Road	Evans, NY	16,310
11/12/2019	250.09-3-1.11	9579 Lake Shore Road	Evans, NY	675
11/12/2019	250.10-2-11	0 Garfield Avenue	Evans, NY	175
11/12/2019	250.11-8-45	0 Ivanhoe Street	Evans, NY	175
11/12/2019	250.12-8-15	0 Kennedy Avenue	Evans, NY	175
11/12/2019	250.17-6-37	0 Lancaster Avenue	Evans, NY	175
11/12/2019	272.00-2-29	10838 New Oregon Road	North Collins, NY	8,750
11/12/2019	79.22-6-10	344 University Avenue	Tonawanda, NY	1,425
11/12/2019	79.29-3-15	15 Edgewood Avenue	Tonawanda, NY	1,425
11/12/2019	65.48-3-8	117 Dupont Avenue	Tonawanda, NY	20,760
11/12/2019	269.19-5-19	2045 Kimble Avenue	North Collins, NY	13,750
11/12/2019	285.08-1-3	2076 Langford Road	North Collins, NY	1,250
11/12/2019	113.53-1-17	16 Strawn Street	Sloan, NY	30,925
11/12/2019	335.19-6-4	48 Albro Avenue	Springville, NY	140

(continued)

(concluded)

<b>Date Acquired</b>	<b>Section/Block/Lot Identification</b>	<b>Property Address</b>	<b>Municipality</b>	<b>Recorded Value *</b>
11/14/2019	112.36-2-15	74 Halstead Avenue	Sloan, NY	5,100
11/14/2019	90.68-5-3.1	0 Carol Drive	Cheektowaga, NY	1,425
11/14/2019	113.64-3-38.1	111 Edmund Street	Cheektowaga, NY	1,425
			Total	<u>\$ 2,073,774</u>

\* Recorded value is based on lower cost or market value at date of acquisition, plus any property improvement costs. Donated properties are recorded at management's estimated fair value at acquisition.

- 2. Real Property Acquisitions/Dispositions** – During the year ended December 31, 2019, the Corporation acquired 40 real properties and disposed of 37 real properties.

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Certified Public Accountants

**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**

To the Board of Directors of the Buffalo  
Erie Niagara Land Improvement Corporation:

We have audited, in accordance with 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 the Buffalo Erie Niagara Land Improvement Corporation (the "Corporation"), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 28, 2020.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Corporation's internal control over financial reporting ("internal control") to determine the 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 the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation'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 may exist that have not been identified.

## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Corporation'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 determination of financial statement amounts. 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*.

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

*Drescher & Malecki LLP*

February 28, 2020