

**BUFFALO ERIE NIAGARA LAND
IMPROVEMENT CORPORATION**

*Financial Statements, Supplementary Information and
Other Information for the Years Ended December 31, 2020
and 2019 and Independent Auditors' Reports*

BUFFALO ERIE NIAGARA LAND IMPROVEMENT CORPORATION
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Years Ended December 31, 2020 and 2019

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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, 2020 and 2019, 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, 2020 and 2019, 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 March 4, 2021 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

March 4, 2021

FINANCIAL SECTION

BUFFALO ERIE NIAGARA LAND IMPROVEMENT CORPORATION
Statements of Financial Position
December 31, 2020 and 2019

| | 2020 | 2019 |
|-----------------------------------|--------------|--------------|
| ASSETS | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 3,292,977 | \$ 1,425,364 |
| Investments | - | 1,498,948 |
| Receivables | 97,854 | 63,306 |
| Prepaid expenses | 3,508 | 3,605 |
| Total current assets | 3,394,339 | 2,991,223 |
| Noncurrent assets: | | |
| Security deposit | 1,856 | 1,856 |
| Assets held for sale | 1,717,458 | 2,073,774 |
| Total noncurrent assets | 1,719,314 | 2,075,630 |
| Total assets | \$ 5,113,653 | \$ 5,066,853 |
| LIABILITIES AND NET ASSETS | | |
| Liabilities: | | |
| Operating accounts payable | \$ 62,011 | \$ 57,780 |
| Amounts due to municipalities | 467,630 | 693,265 |
| Accrued liabilities | - | 4,839 |
| Total liabilities | 529,641 | 755,884 |
| Net assets: | | |
| Without donor restrictions | \$ 4,584,012 | \$ 4,310,969 |
| Total net assets | 4,584,012 | 4,310,969 |
| Total liabilities and net assets | \$ 5,113,653 | \$ 5,066,853 |

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, 2020

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|--|---------------------------------------|------------------------------------|---------------------|
| Revenues: | | | |
| Grant revenue | \$ 1,013,963 | \$ 72,400 | \$ 1,086,363 |
| Property sales | 1,139,079 | - | 1,139,079 |
| Miscellaneous revenue | 1,077 | - | 1,077 |
| Total revenues | <u>2,154,119</u> | <u>72,400</u> | <u>2,226,519</u> |
| Net assets released from restrictions: | | | |
| Expiration of purpose restrictions | <u>72,400</u> | <u>(72,400)</u> | <u>-</u> |
| Total revenues and net assets released from restrictions | <u>2,226,519</u> | <u>-</u> | <u>2,226,519</u> |
| Expenses: | | | |
| Cost of sales | 1,522,637 | - | 1,522,637 |
| Salary expenses | 322,084 | - | 322,084 |
| Retirement contributions | 21,484 | - | 21,484 |
| Professional services | 43,166 | - | 43,166 |
| Office expenses | 47,839 | - | 47,839 |
| Other expenses | 16,738 | - | 16,738 |
| Total expenses | <u>1,973,948</u> | <u>-</u> | <u>1,973,948</u> |
| Change in net assets from operating activities | 252,571 | - | 252,571 |
| Nonoperating activities: | | | |
| Interest income | <u>20,472</u> | <u>-</u> | <u>20,472</u> |
| Total nonoperating activities | <u>20,472</u> | <u>-</u> | <u>20,472</u> |
| Change in net assets | 273,043 | - | 273,043 |
| Total net assets—beginning | <u>4,310,969</u> | <u>-</u> | <u>4,310,969</u> |
| Total net assets—ending | <u>\$ 4,584,012</u> | <u>\$ -</u> | <u>\$ 4,584,012</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, 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
Statements of Cash Flows
Years Ended December 31, 2020 and 2019

| | 2020 | 2019 |
|---|--------------|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in net assets from operating activities | \$ 252,571 | \$ 773,630 |
| Adjustments to reconcile change in net assets from operating activities to net cash provided by operating activities: | | |
| (Increase) in receivables | (34,548) | (63,306) |
| Decrease in prepaid expenses | 97 | 123 |
| Decrease in assets held for sale | 356,316 | 67,925 |
| Increase (decrease) in operating accounts payable | 4,231 | (91,915) |
| (Decrease) increase in amounts due to municipalities | (225,635) | 5,892 |
| (Decrease) in accrued liabilities | (4,839) | (18) |
| (Decrease) in unearned revenue | - | (251,743) |
| Net cash provided by operating activities | 348,193 | 440,588 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Maturity (purchase) of investments | 1,498,948 | (1,499,562) |
| Interest income | 20,472 | 12,373 |
| Net cash provided by (used for) investing activities | 1,519,420 | (1,487,189) |
| Net increase (decrease) in cash and cash equivalents | 1,867,613 | (1,046,601) |
| Cash and cash equivalents—beginning | 1,425,364 | 2,471,965 |
| Cash and cash equivalents—ending | \$ 3,292,977 | \$ 1,425,364 |

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, 2020 and 2019

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 \$72,400 and \$78,325 from restrictions for eligible expenses during the years ended December 31, 2020 and 2019, respectively. The Corporation reported \$0 of net assets with donor restrictions at December 31, 2020 and 2019.

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.

Investments—Consists of amounts invested in United States treasury securities. Investments are recorded at fair value, as determined by quoted market prices at the balance sheet date.

Receivables—Receivables include amounts due from New York State for grant reimburseable expenses incurred by the Corporation. The Corporation reported grants receivables of \$92,854 and \$63,306 at December 31, 2020 and 2019, 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 \$3,508 and \$3,605 at December 31, 2020 and 2019, respectively.

Security Deposits—Represents the security deposit paid by the Corporation related to their office space rental. The Corporation reported a security deposit of \$1,856 at December 31, 2020 and 2019.

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 \$467,630 and \$693,265 at December 31, 2020 and 2019, 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 \$1,086,363 and \$902,153 of grant revenue for the years ended December 31, 2020 and 2019, 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 \$0 and \$199,078 of donation revenue for the years ended December 31, 2020 and 2019, 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, 2019. The tax years ended December 31, 2019, 2018 and 2017 are still open to audit for federal purposes.

3. LIQUIDITY AND AVAILABILITY

For the years ended December 31, 2020 and 2019, the Corporation reported cash and cash equivalents of \$3,292,977 and \$1,425,364, investments of \$0 and \$1,498,948, and receivables of \$97,854 and \$63,306, 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 has entered into custodial agreements with the banking institution which holds their deposits. These agreements authorize the obligation that may be pledged as collateral. Obligations that may be pledged as collateral are outlined in Chapter 623 of the laws of the State of New York.

Deposits—All deposits are carried at fair value and are classified by custodial credit risk at December 31, 2020 as follows:

| | Bank Balance | Carrying Balance |
|--|---------------------|---------------------|
| FDIC insured | \$ 250,000 | \$ 250,000 |
| Uninsured: | | |
| Collateral held by pledging bank's agent in entity's name | <u>3,042,977</u> | <u>3,042,977</u> |
| Total | <u>\$ 3,292,977</u> | <u>\$ 3,292,977</u> |

Custodial Credit Risk—Deposits—Custodial credit risk is the risk that in the event of a bank failure, the Corporation's deposits may not be returned to it. At December 31, 2020 the Corporation's deposits were either FDIC insured or collateralized with securities held by the pledging bank's agent in the Corporation's name.

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, 2020 and 2019.

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

All of the Corporation's investments at December 31, 2019 were considered to be Level 1 measurements.

Net investment income is summarized as follows for the years ended December 31, 2020 and 2019:

| | 2020 | 2019 |
|------------------------------------|------------------|------------------|
| Interest income | \$ 20,472 | \$ 12,373 |
| Net unrealized loss on investments | <u>-</u> | <u>(614)</u> |
| Total | <u>\$ 20,472</u> | <u>\$ 11,759</u> |

7. ASSETS HELD FOR SALE

Assets held for sale consists of the following components at December 31, 2020 and 2019:

| | 2020 | 2019 |
|-------------------------|---------------------|---------------------|
| Cost of properties held | \$ 421,561 | \$ 706,086 |
| Property improvements | <u>1,295,897</u> | <u>1,367,688</u> |
| Total | <u>\$ 1,717,458</u> | <u>\$ 2,073,774</u> |

8. NET ASSETS

Without Donor Restrictions—Include resources available to support operations. At December 31, 2020 and 2019, the Corporation reported \$4,584,012 and \$4,310,969, 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. As of December 31, 2020 and 2019, the Corporation reported \$0 of net assets with donor restrictions.

9. FUNCTIONAL EXPENSES

A summary of the Corporation's operating expenses for the years ended December 31, 2020 and 2019, classified by function, are as follows:

| | 2020 | | |
|--------------------------|--------------------------------|------------------------|---------------------|
| | Support | Program | Total |
| | Activities | Activities | |
| | Management & Administration | Property Management | |
| Cost of sales | \$ - | \$ 1,522,637 | |
| Salary expenses | 172,383 | 149,701 | 322,084 |
| Retirement contributions | 11,498 | 9,986 | 21,484 |
| Professional services | 43,166 | - | 43,166 |
| Office expenses | 47,839 | - | 47,839 |
| Other expenses | 14,836 | 1,902 | 16,738 |
| Total | <u>\$ 289,722</u> | <u>\$ 1,684,226</u> | <u>\$ 1,973,948</u> |

| | 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> |

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, retirement contributions, and other expenses. 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 March 4, 2021, 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, 2020

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, 2020.
- e. Investment income record—Investment income for the year ended December 31, 2020 consisted of:

| | |
|-----------------|------------------|
| Interest income | <u>\$ 20,472</u> |
| Total | <u>\$ 20,472</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, 2020.

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OTHER INFORMATION

BUFFALO ERIE NIAGARA LAND IMPROVEMENT CORPORATION
Real Property Listing
Year Ended December 31, 2020

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, 2020, the Corporation owned the following real property:

| Date Acquired | Section/Block/Lot Identification | Property Address | Municipality | Recorded Value * |
|----------------------|---|---------------------------|---------------------|-------------------------|
| 9/19/2016 | 90.26-1-6 | 179 Westminster Avenue | Buffalo, NY | 15,553 |
| 10/27/2016 | 195.08-9-5 | 50 Scott Street | Hamburg, NY | 2,003 |
| 10/27/2016 | 195.08-9-4 | 64 Scott Street | Hamburg, NY | 3,842 |
| 10/27/2016 | 104.19-3-13 | 27 Aurora Street | Lancaster, NY | 13,224 |
| 11/24/2017 | 16.01-2-23 | 2880 Tonawanda Creek Road | Amherst, NY | 3,716 |
| 11/24/2017 | 205.03-1-9 | 0 Lake Crest Drive | Evans, NY | 19,713 |
| 11/24/2017 | 26.14-1-2 | 172 Aegean Avenue | Amherst, NY | 5,806 |
| 11/24/2017 | 92.17-2-17 | 257 Chapel Avenue | Cheektowaga, NY | 566 |
| 11/24/2017 | 101.28-13-8 | 27 Alpine Place | Cheektowaga, NY | 491 |
| 11/24/2017 | 101.36-3-7 | 52 Olcott Place | Cheektowaga, NY | 14,048 |
| 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 | 566 |
| 11/25/2017 | 102.53-4-7 | 40 Reo Avenue | Cheektowaga, NY | 566 |
| 11/27/2017 | 92.17-3-4 | 195 Northcrest Avenue | Cheektowaga, NY | 565 |
| 5/18/2018 | 39.77-4-2 | 91 Fuller Avenue | Tonawanda, NY | 216,023 |
| 10/22/2018 | 115.25-3-13 | 26 E. Garfield Street | Lancaster, NY | 3,171 |
| 10/23/2018 | 65.41-2-25 | 178 Mapleview Drive | Tonawanda, NY | 276,869 |
| 10/24/2018 | 193.13-2-1 | 0 South Creek Road | Evans, NY | 356 |
| 10/24/2018 | 90.76-2-28 | 1576 E. Delavan Avenue | Cheektowaga, NY | 56,479 |
| 10/24/2018 | 103.760-2-17 | 25 A-D Glenwood Court | Cheektowaga, NY | 4,206 |
| 10/24/2018 | 79.20-11-10 | 1603 Kensington Avenue | Cheektowaga, NY | 27,431 |
| 10/24/2018 | 26.15-3-30 | 44 Sunset Court | Amherst, NY | 15,236 |
| 10/25/2018 | 91.06-11-32 | 36 Peachrow Lane | Cheektowaga, NY | 3,591 |
| 12/3/2018 | 195.08-8-23 | 33 West Ave | Hamburg, NY | 215,642 |
| 11/12/2019 | 77.48-6-38 | 149 Crowley Avenue | Buffalo, NY | 108,714 |
| 11/12/2019 | 77.49-5-1 | 159 Crowley Avenue | Buffalo, NY | 127,684 |
| 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 | 27,920 |
| 11/12/2019 | 91.06-2-7 | 224 S Huxley Drive | Cheektowaga, NY | 33,771 |
| 11/12/2019 | 101.60-2-17 | 30-32 Euclid Avenue | Cheektowaga, NY | 299 |
| 11/12/2019 | 101.60-3-29 | 19 Euclid Avenue | Cheektowaga, NY | 299 |
| 11/12/2019 | 102.53-3-27 | 35 Hedwig Avenue | Cheektowaga, NY | 44,060 |
| 11/12/2019 | 125.11-13-26 | 53 John Brian Lane | Cheektowaga, NY | 134,934 |

(continued)

(concluded)

| Date Acquired | Section/Block/Lot Identification | Property Address | Municipality | Recorded Value * |
|--------------------------|---|-----------------------------|---------------------|-----------------------------|
| 11/12/2019 | 206.04-3-16 | 1556 Depot Street | Evans, NY | 12,150 |
| 11/12/2019 | 250.08-6-25 | 9430 Peach Street | Evans, NY | 299 |
| 11/12/2019 | 250.07-4-26.1 | 9644 Jamestown Street | Evans, NY | 299 |
| 11/12/2019 | 251.13-4-1 | 9707 Erie Road | Evans, NY | 9,276 |
| 11/12/2019 | 250.17-7-3 | 139 Rosewood Avenue | Evans, NY | 1,633 |
| 11/12/2019 | 250.17-7-5 | 147 Rosewood Avenue | Evans, NY | 1,986 |
| 11/12/2019 | 220.00-1-31.12 | 8261 Lake Shore Road | Evans, NY | 37,144 |
| 11/12/2019 | 235.07-3-6.2 | 1035 Eden Evans Center Road | Evans, NY | 422 |
| 11/12/2019 | 250.07-4-26.1 | 9406 Jamestown Street | Evans, NY | 299 |
| 11/12/2019 | 250.09-3-1.11 | 9579 Lake Shore Road | Evans, NY | 1,098 |
| 11/12/2019 | 250.10-2-11 | 0 Garfield Avenue | Evans, NY | 299 |
| 11/12/2019 | 250.11-8-45 | 0 Ivanhoe Street | Evans, NY | 298 |
| 11/12/2019 | 250.17-6-37 | 0 Lancaster Avenue | Evans, NY | 299 |
| 11/12/2019 | 272.00-2-29 | 10838 New Oregon Road | North Collins, NY | 11,287 |
| 11/12/2019 | 79.22-6-10 | 344 University Avenue | Tonawanda, NY | 2,808 |
| 11/12/2019 | 79.29-3-15 | 15 Edgewood Avenue | Tonawanda, NY | 1,668 |
| 11/12/2019 | 65.48-3-8 | 117 Dupont Avenue | Tonawanda, NY | 90,691 |
| 11/12/2019 | 269.19-5-19 | 2045 Kimble Avenue | North Collins, NY | 15,387 |
| 11/12/2019 | 285.08-1-3 | 2076 Langford Road | North Collins, NY | 2,197 |
| 11/12/2019 | 335.19-6-4 | 48 Albro Avenue | Springville, NY | 943 |
| 11/14/2019 | 112.36-2-15 | 74 Halstead Avenue | Sloan, NY | 60,657 |
| 11/14/2019 | 113.64-3-38.1 | 111 Edmund Street | Cheektowaga, NY | 1,548 |
| 8/14/2020 | 133.70-2-10 | 385 Marilla Street | Buffalo, NY | 11,736 |
| 8/14/2020 | 101.35-5-31 | 102 Humason Avenue | Buffalo, NY | 17,288 |
| 8/14/2020 | 101.35-6-6 | 109 Humason Avenue | Buffalo, NY | 19,662 |
| 8/14/2020 | 112.49-1-58 | 22 Bogardus Street | Buffalo, NY | 14,242 |
| 8/14/2020 | 88.75-2-30 | 172 Garner Avenue | Buffalo, NY | 7,161 |
| 8/14/2020 | 77.49-6-41 | 146 Royal Avenue | Buffalo, NY | 12,054 |
| | | | Total | \$ 1,717,458 |

* 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, 2020, the Corporation acquired 6 real properties and disposed of 23 real properties.

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, 2020, 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 March 4, 2021.

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

March 4, 2021