

Buffalo Urban Development Corporation

Investment Report

For the year ended December 31, 2023

Buffalo Urban Development Corporation

2023 Annual Investment Report

Purpose of Report:

Under Section 2925(6) of the Public Authorities Law, BUDC is required to annually prepare and approve an Investment Report. The Investment Report is to include: BUDC's Investment Guidelines (see below), the results of the annual independent 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 was approved by the BUDC Board of Directors at their March 26, 2024 meeting.

Investment Guidelines:

In accordance with Section 2925 of the Public Authorities Law, BUDC 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. In addition, BUDC has elected to follow the deposit and investment restrictions contained in Sections 10 and 11 of the General Municipal Law as a "best practice".

BUDC's Investment Guidelines were approved by the BUDC Board of Directors at their March 26, 2024 meeting and are posted on the BUDC website at <http://www.buffalourbandevelopment.com/budc-corporate-policies>. The Investment Guidelines are consistent with the Guidelines adopted on March 28, 2023.

Investment Audit:

BUDC's auditors have audited the corporation's compliance with the Investment Guidelines for Public Authorities. In their report dated March 26, 2024 Freed Maxick CPAs have indicated that BUDC complied, in all material respects, with these Investment Guidelines.

Buffalo Urban Development Corporation (BUDC) and Affiliates

Annual Investment Report

For the year ended December 31, 2023

Account Type	Financial Institution	G/L Balance 1/1/2023	G/L Balance 12/31/2023	Interest Rate ^a Dec 2023	2023		Restricted	Purpose
					Investment Income	Fees		
BUDC Accounts:								
1 Interest Checking	KeyBank	20,097,419	16,281,041	0.85%	138,751	-		General BUDC checking account
2 Checking	KeyBank	6,100	1,100	-	-	-	√	Northland Corridor account
3 Checking	KeyBank	3,229,454	-	-	-	-	√	Downtown Loan Fund
4 Interest Checking	M&T Bank	452,106	231,550	3.25%	8,498	-	√	Restricted account for City of Buffalo real estate development ^b
5 Interest Checking	KeyBank	184,298	236,704	0.85%	1,675	-		Account for 714 Northland property
6 Interest Checking	KeyBank	84,990	85,068	0.85%	667	-	√	Imprest account for ESD grant #133857 ^c
7 Interest Checking	KeyBank	-	-	0.00%	-	-	√	Imprest account for ESD RECAP grant ^{cd}
		<u>\$24,054,367</u>	<u>\$16,835,463</u>		<u>\$ 149,591</u>	<u>\$ -</u>		
683 Northland LLC Accounts:								
8 Interest Checking	KeyBank	66,665	23,208	0.85%	356	-		General 683 Northland checking account
9 Interest Checking	KeyBank	9,170	5,007	0.85%	5	-	√	Interest Reserve account
10 Checking	Citibank	91,000	61,000	-	-	-	√	NTCIC Reserve checking account
11 Checking	Citibank	147,316	77,919	-	-	864	√	BACDE Reserve checking account
		<u>\$ 314,150</u>	<u>\$ 167,134</u>		<u>\$ 361</u>	<u>\$ 864</u>		
683 WTC, LLC Accounts:								
12 Interest Checking	KeyBank	188	60	0.81%	325	-		General 683 WTC Checking account
		<u>\$ 188</u>	<u>\$ 60</u>		<u>\$ 325</u>	<u>\$ -</u>		
		<u><u>\$24,368,705</u></u>	<u><u>\$17,002,657</u></u>		<u><u>\$ 150,277</u></u>	<u><u>\$ 864</u></u>		

Notes:

All accounts are FDIC guaranteed and secured by collateral posted by the depository or its agent for balances above the FDIC limit.

^a The Interest Rate is the annualized rate for the month of December 2023 and is prior to the deduction of fees (if any).

^b This account is known as the Buffalo Brownfields Redevelopment Fund (BBRF) and is held by the ECIDA on behalf of BUDC.

^c Investment income earned is remitted to grantor in accordance with agreements.

^d New account opened in December 2023



INDEPENDENT ACCOUNTANT'S REPORT

To the Members of the Board of Directors
Buffalo Urban Development Corporation
95 Perry Street, Suite 403
Buffalo, New York 14203

We have examined the Buffalo Urban Development Corporation's (BUDC) compliance with the New York State Comptroller's Investment Guidelines for Public Authorities and Section 2925 of the New York State Public Authorities Law (collectively, the "Investment Guidelines") during the period January 1, 2023 to December 31, 2023. BUDC's management is responsible for the BUDC's compliance with the specified requirements. Our responsibility is to express an opinion on the BUDC's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether BUDC complied, in all material respects with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about BUDC's compliance with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance of BUDC's compliance with the specified requirements, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the BUDC's compliance with specified requirements.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, BUDC complied, in all material respects, with the specified requirements during the period January 1, 2023 to December 31, 2023.

This report is intended solely for the information and use of the Board of Directors, management and others within the BUDC and the New York State Authorities Budget Office, and is not intended to be and should not be used by anyone other than these specified parties.

Freed Maxick CPAs, P.C.

Buffalo, New York
March 26, 2024