

**Minutes of the
Audit & Finance Committee Meeting
Buffalo Urban Development Corporation
95 Perry Street
Buffalo New York 14203
March 19, 2020
12:00 p.m.**

Call to Order:

Committee Members Present:

Trina Burruss
James Comerford
Janique S. Curry
Dennis M. Penman (Committee Chair)

Committee Members Absent:

David J. Nasca

Officers Present:

Peter M. Cammarata, President
David A. Stebbins, Executive Vice President
Brandye Merriweather, Vice President
Mollie M. Profic, Treasurer
Kevin J. Zanner, Secretary

Others Present: Dawn Boudreau, ECIDA; Barbara Danner, Freed Maxick CPAs, P.C.; Arthur Hall, BUDC; and Laura Landers, Freed Maxick CPAs, P.C.

Roll Call; Order of Business - The Secretary called the roll of the members of the Audit & Finance Committee at 12:05 p.m. and a quorum of the Committee was determined to be present. The meeting was held via teleconference pursuant to New York State Executive Order 202.1.

- 1.0 Approval of Minutes of the February 5, 2020 Meeting** – The minutes of the February 5, 2020 meeting of the Audit & Finance Committee were presented. Mr. Comerford made a motion to approve the meeting minutes. The motion was seconded by Ms. Curry and unanimously carried.

- 2.0 Draft 2019 BUDC Audited Financial Statements** –Ms. Danner and Ms. Landers presented the draft 2019 audited consolidated financial statements. Ms. Danner explained the audit process and complimented the assistance and cooperation provided by management. Ms. Danner then presented a detailed overview of the financial statements for 683 Northland LLC, including a review of the consolidating statements and notes to the financial statements. She reported that Freed Maxick is issuing an unmodified (i.e., clean) opinion that the consolidated financial statements present fairly, in all material respects, the financial position of 683 Northland LLC, as of December 31, 2019 and 2018, and the changes in its financial position and its cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America. Ms. Danner completed her presentation with a review of the 2019 683 Northland Master Tenant, LLC draft audited financial statements, which were presented to the Committee for information purposes only. Ms. Landers then reviewed the BUDC draft audited financial statements. She noted that no material weaknesses or control deficiencies were found during the course of the audit, and there were no auditor adjustments and no uncorrected misstatements. She confirmed that Freed Maxick is issuing an unmodified (clean) opinion to BUDC. Following the auditor's presentation, the Committee discussed the draft financial statements. Mr. Penman asked whether BUDC is meeting financial projections with its investors at 683 Northland. Mr. Cammarata asked that Freed Maxick provide a proposal for this analysis. At the conclusion of the discussion, Mr.

Comerford made a motion to recommend that the Board of Directors accept the 2019 BUDC draft audited consolidated financial statements. The motion was seconded by Ms. Burruss and unanimously carried (4-0-0).

- 3.0 Draft 2019 683 Northland Master Tenant, LLC Audited Financial Statements** – This information item was reviewed during the presentation of item 2.0.
- 4.0 Draft 2019 BBRF Audited Financial Statements** – Ms. Profic reviewed the draft 2019 financial statements for the Buffalo Brownfields Redevelopment Fund. These financial statements are presented to the Committee for information purposes only, as ECIDA is the custodian for the Buffalo Brownfields Redevelopment Fund. Ms. Burruss left the meeting following the presentation of this item.
- 5.0 2019 BBRF Reimbursement Request** – Ms. Profic presented a written summary of third party expenses that are proposed for reimbursement from the Buffalo Brownfields Redevelopment Fund (BBRF). Third party expenses for Buffalo Lakeside Commerce Park, RiverBend, the Northland Beltline and 308 Crowley are eligible for reimbursement from the BBRF. The total amount of third party expenses being requested for reimbursement is \$787,080, of which \$337,002 relates to the local match for Restore NY 4 grant. Mr. Curry made a motion to recommend that the Board of Directors approve the use of \$337,002 in BBRF funds toward the Restore NY 4 grant local match and to approve the reimbursement of BUDC of \$450,078 in third party costs as set forth in the written expense summary. The motion was seconded by Mr. Comerford and unanimously carried (3-0-0).
- 6.0 2019 BUDC Investment Report** – Ms. Profic presented the 2019 Investment Report. Mr. Comerford made a motion to recommend that the Board of Directors approve the Investment Report in the form presented to the Committee and authorize submission of the report to the Authorities Budget Office. The motion was seconded by Ms. Curry and unanimously carried (3-0-0).
- 7.0 2019 Management’s Assessment of Internal Controls** – Ms. Profic reviewed with the Committee a two-page memorandum setting forth the assessment of BUDC’s management of the effectiveness of BUDC’s internal controls, including the controls in place with respect to payroll, cash disbursements, cash receipts and security of computer information and software.
- 8.0 Audit & Finance Committee Training** - Ms. Profic referred the Committee to a January 2020 Deloitte publication included in the meeting agenda packet entitled *“On the Board’s Agenda--The Strategic Audit Committee: A 2020 Preview”*.
- 9.0 Regionally Significant Project (RSP) Fund Update** - Ms. Profic reported that the balance of uncommitted funds in the RSP Fund is \$41.00.
- 10.0 Funding Update** – Mr. Cammarata presented an update on the ESD and Restore NY grants for the Northland Corridor projects. He also reported on the ECIDA grant and National Grid grants. Mr. Stebbins then reported on the Ralph C. Wilson Jr. Foundation grants for the Centennial Park project.
- 11.0 BBRP/BUDC Loan Program** – Presentation of this item was deferred.

12.0 Adjournment –There being no further business to come before the Committee, upon motion made by Ms. Curry, seconded by Mr. Comerford and unanimously carried, the March 19, 2020 meeting of the Audit & Finance Committee was adjourned at 1:35 p.m.

Respectfully submitted,



Kevin J. Zanner
Secretary