

Buffalo Urban Development Corporation

Investment Report

For the year ended December 31, 2018

Buffalo Urban Development Corporation

2018 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, 2018 and was approved by the BUDC Board of Directors at their March 26, 2019 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, 2019 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 27, 2018.

Investment Audit:

BUDC's auditors have audited the corporation's compliance with the Investment Guidelines for Public Authorities. In their report dated March 15, 2019 Freed Maxick CPAs have indicated that BUDC complied, in all material respects, with these Investment Guidelines.

Buffalo Urban Development Corporation (BUDC) and Affiliates
Buffalo Brownfield Restoration Corporation (BBRC)

Annual Investment Report
 For the year ended December 31, 2018

Account Type	Financial Institution	G/L Balance 1/1/2018	G/L Balance 12/31/2018	Interest Rate* Dec 2018	2018			Restricted Purpose
					Investment Income	Fees	Restricted	
BUDC Accounts:								
1 Interest Checking	KeyBank	3,023,649	3,575,992	0.15%	1,524	-	✓	General BUDC Checking account.
2 Interest Checking	KeyBank	112,671	4,570	0.15%	537	-	✓	Imprest account for grant Z415
3 Interest Checking	KeyBank	2,400,036	2,441,286	-	-	-	✓	Downtown Loan Fund
4 Interest Checking	KeyBank	0.01	0.01	-	-	-	✓	Northland Corridor account
5 Interest Checking	KeyBank	797,594	2,045,460	0.75%	6,580	-	✓	Restricted account for City of Buffalo real estate development**
6 Interest Checking	KeyBank	100,530	102,960	0.75%	394	-	✓	Restricted account for eligible Erie County Development Projects***
7 Interest Checking	KeyBank	-	1,978,700	0.15%	1,152	-	✓	Imprest account for grant AC426
8 Interest Checking	KeyBank	-	13,074,181	0.15%	1,246	-	✓	Imprest account for grant Z199/AC699
		\$ 6,434,481	\$ 23,223,149		\$ 11,432	\$ -		
BBRC Accounts:								
9 Interest Checking	KeyBank	16,070	14,391	-	-	-		General BBRC Checking account
		\$ 16,070	\$ 14,391		\$ -	\$ -		
BBRC Land Company Accounts:								
10 Interest Checking	KeyBank	-	-	-	-	-		General BBRC Land Company Checking account
		\$ -	\$ -		\$ -	\$ -		
683 Northland LLC Accounts:								
11 Interest Checking	KeyBank	149,602	150,356	0.25%	768	-		General 683 Northland Checking account
12 Interest Checking	KeyBank	2,000,025	1,605,640	0.25%	3,255	-	✓	Interest Reserve account (Prefunded)
13 Interest Checking	KeyBank	-	-	-	-	-	✓	Construction account
14 Escrow	Citibank	5,921,039	-	-	-	-	✓	Temporary escrow account for tax credit closing proceeds
15 Checking	Citibank	-	585,781	-	-	-		General 683 Northland Checking account
16 Checking	Citibank	-	210,000	-	-	-	✓	NTCIC Reserve Checking account
17 Checking	Citibank	-	417,547	-	-	-	✓	BACDE Reserve Checking account
		\$ 8,070,666	\$ 2,969,324		\$ 4,023	\$ -		
683 WTC, LLC Accounts:								
18 Interest Checking	KeyBank	-	-	-	-	-		General 683 WTC Checking account
		\$ -	\$ -		\$ -	\$ -		
		\$ 14,521,217	\$ 26,214,695		\$ 15,464	\$ -		

Notes:

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

* The Interest Rate is the annualized rate for the month of December 2018 and is prior to the deduction of fees (if any).

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

*** This account is known as the Regionally Significant Projects (RSP) Fund and is held by the ECIDA on behalf of BUDC.