

**BUFFALO ERIE NIAGARA LAND  
IMPROVEMENT CORPORATION**

*Financial Statements, Supplementary Information and  
Other Information for the Years Ended December 31, 2018  
and 2017 and Independent Auditors' Reports*



**BUFFALO ERIE NIAGARA LAND IMPROVEMENT CORPORATION**  
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**Years Ended December 31, 2018 and 2017**

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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, 2018 and 2017, 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.

### ***Auditor's 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 audit 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 opinion.

## ***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, 2018 and 2017, and the 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 as a whole. 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 19, 2019 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 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 19, 2019

# FINANCIAL STATEMENTS





**BUFFALO ERIE NIAGARA LAND IMPROVEMENT CORPORATION**  
**Statements of Financial Position**  
**December 31, 2018 and 2017**

	<b>2018</b>	<b>2017</b>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 2,452,718	\$ 2,122,071
Restricted cash and cash equivalents	19,247	-
Receivables	-	5,407
Prepaid expenses	3,728	3,784
Total current assets	2,475,693	2,131,262
Noncurrent assets:		
Security deposit	1,856	1,856
Assets held for sale	2,141,699	985,997
Total noncurrent assets	2,143,555	987,853
Total assets	\$ 4,619,248	\$ 3,119,115
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Operating accounts payable	\$ 149,695	\$ 32,802
Amounts due to municipalities	687,373	411,608
Accrued liabilities	4,857	722
Unearned revenue	251,743	30,752
Total current liabilities	1,093,668	475,884
Net assets:		
Without donor restrictions	3,506,333	2,643,231
With donor restrictions:		
Time or purpose	19,247	-
Total net assets	3,525,580	2,643,231
Total liabilities and net assets	\$ 4,619,248	\$ 3,119,115

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, 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**  
**Statement of Activities**  
**Year Ended December 31, 2017**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues:			
Grant revenue	\$ 674,241	\$ -	\$ 674,241
Property sales	1,015,900	-	1,015,900
Miscellaneous revenue	7,226	-	7,226
Interest income	100	-	100
Total revenues	<u>1,697,467</u>	<u>-</u>	<u>1,697,467</u>
Expenses:			
Cost of sales	1,159,938	-	1,159,938
Salary expenses	194,084	-	194,084
Retirement contributions	12,360	-	12,360
Professional services	16,696	-	16,696
Office expenses	56,363	-	56,363
Other expenses	10,829	-	10,829
Demolition charges	29,900	-	29,900
Total expenses	<u>1,480,170</u>	<u>-</u>	<u>1,480,170</u>
Change in net assets	217,297	-	217,297
Total net assets—beginning	<u>2,425,934</u>	<u>-</u>	<u>2,425,934</u>
Total net assets—ending	<u>\$ 2,643,231</u>	<u>\$ -</u>	<u>\$ 2,643,231</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, 2018 and 2017**

	<b>2018</b>	<b>2017</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ 882,349	\$ 217,297
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Decrease (increase) in receivables	5,407	(5,407)
Decrease in prepaid expenses	56	526
(Increase) decrease in assets held for sale	(1,155,702)	272,245
Increase (decrease) in operating accounts payable	116,893	(21,631)
Increase in amounts due to municipalities	275,765	13,804
Increase in accrued liabilities	4,135	93
Increase (decrease) in unearned revenue	220,991	(179,344)
Net cash provided by operating activities	349,894	297,583
Net increase in cash and cash equivalents	349,894	297,583
Cash and cash equivalents—beginning	2,122,071	1,824,488
Cash and cash equivalents—ending	\$ 2,471,965	\$ 2,122,071

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, 2018 and 2017**

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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.

***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 of the Corporation.

***Net Assets With Donor Restrictions***—The Corporation reports gifts of cash and other assets as restricted support if they are received with donor stipulations 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 \$16,713 and \$0 from restrictions for eligible expenses during the years ended December 31, 2018 and 2017, respectively. The Corporation reported \$19,247 and \$0 of net assets with donor restrictions at December 31, 2018 and 2017, 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.

**Receivables**—Receivables includes amounts due from New York State for grant reimburseable expenses incurred by the Corporation.

**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 \$3,728 and \$3,784, at December 31, 2018 and 2017, 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.

**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 \$251,743 and \$30,752 at December 31, 2018 and 2017, 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 \$1,062,604 and \$674,241 of grant revenue for the years ended December 31, 2018 and 2017, 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 \$271,252 and \$0 of donation revenue for the years ended December 31, 2018 and 2017, 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 \$10,700 and \$29,900 of demolition charges for the years ended December 31, 2018 and 2017, 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, 2017. The tax years ended December 31, 2017, 2016 and 2015 are still open to audit for federal purposes.

### 3. NOT-FOR-PROFIT FINANCIAL STATEMENT PRESENTATION

During the year ended December 31, 2018, the Corporation adopted Financial Accounting Standards Board (“FASB”) Accounting Standards Update No. 2016-14—*Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The Standard is intended to improve net asset classification requirements and the information presented in the financial statements and notes about an entity’s liquidity, financial performance, and cash flows.

The Standard requires the Corporation to reclassify its net assets from three categories (i.e., unrestricted, temporarily restricted, and permanently restricted) into two categories: net assets without donor restrictions and net assets with donor restrictions. In addition, the Standard requires enhanced disclosures about governing board designations; composition of net assets with donor restrictions; the Corporation’s liquidity; and expenses by both their natural and functional classification.

### 4. ASSETS HELD FOR SALE

Assets held for sale consists of the following components at December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Cost of properties held	\$ 827,958	\$ 374,884
Property improvements	<u>1,313,741</u>	<u>611,113</u>
Total	<u>\$ 2,141,699</u>	<u>\$ 985,997</u>

### 5. NET ASSETS

***Without Donor Restrictions***—Include resources available to support operations. At December 31, 2018 and 2017, the Corporation reported \$3,506,333 and \$2,643,231, 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, 2018, the Corporation received \$35,960 in cash donations which have been restricted by the donor for the specific purpose of improving donated property. As of December 31, 2018 and 2017, the Corporation reported \$19,247 and \$0, respectively, of net assets with donor restrictions.

### 6. 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.

## 7. FUNCTIONAL EXPENSES

A summary of the Corporation's operating expenses for the years ended December 31, 2018 and 2017, classified by function, are as follows:

	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	3,991	4,414	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>\$ 227,194</u>	<u>\$ 1,110,520</u>	<u>\$ 1,337,714</u>

	2017		
	Support	Program	Total
	Activities	Activities	
	Management & Administration	Property Management	
Cost of sales	\$ -	\$ 1,159,938	
Salary expenses	92,153	101,931	194,084
Retirement contributions	5,869	6,491	12,360
Professional services	16,696	-	16,696
Office expenses	56,363	-	56,363
Other expenses	5,548	5,281	10,829
Demolition charges	-	29,900	29,900
Total	<u>\$ 176,629</u>	<u>\$ 1,303,541</u>	<u>\$ 1,480,170</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.

## 8. SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 19, 2019, 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, 2018**

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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, 2018.
- e. Investment income record—Investment income for the year ended December 31, 2018 consisted of:

	Interest Earned
	<u>          </u>
M&T Bank	\$ <u>          </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 or commissions were paid during the year ended December 31, 2018.

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## OTHER INFORMATION



**BUFFALO ERIE NIAGARA LAND IMPROVEMENT CORPORATION**  
**Real Property Listing**  
**Year Ended December 31, 2018**

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, 2018, 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	\$ 14,723
9/19/2016	90.77-5-18	72 Schauf Avenue	Buffalo, NY	142,376
10/27/2016	195.08-9-5	50 Scott Street	Hamburg, NY	1,743
10/27/2016	195.08-9-4	64 Scott Street	Hamburg, NY	3,583
10/27/2016	115.06-2-25	24 Miller Street	Depew, NY	78,889
10/27/2016	104.19-3-13	27 Aurora Street	Lancaster, NY	12,256
10/27/2016	90.84-1-18	51 East End Avenue	Cheektowaga, NY	27,328
10/27/2016	90.84-1-26	77 East End Avenue	Cheektowaga, NY	73,754
10/27/2016	250.07-2-37	9389 Orange Street	Evans, NY	26,372
10/27/2016	133.35-1-33	66 Burch Avenue	West Seneca, NY	99,379
12/6/2016	90.78-1-15.1	234 Carl Street	Buffalo, NY	149,177
12/6/2016	90.71-5-55	375 Northumberland Avenue	Buffalo, NY	110,659
12/6/2016	79.74-2-29	652 Lisbon Avenue	Buffalo, NY	125,629
11/24/2017	16.01-2-23	2880 Tonawanda Creek Road	Amherst, NY	3,457
11/24/2017	205.03-1-9	0 Lake Crest Drive	Evans, NY	19,453
11/24/2017	80.19-3-2	106 Wilshire Road	Cheektowaga, NY	19,357
11/24/2017	102.37-2-13	166 Straley Avenue	Cheektowaga, NY	307
11/24/2017	26.14-1-2	172 Aegean Avenue	Amherst, NY	5,557
11/24/2017	101.28-8-3	2355 Genesee Street	Cheektowaga, NY	25,696
11/24/2017	92.17-2-17	257 Chapel Avenue	Cheektowaga, NY	307
11/24/2017	101.28-13-8	27 Alpine Place	Cheektowaga, NY	242
11/24/2017	101.28-1-2	38 Barbara Place	Cheektowaga, NY	3,119
11/24/2017	101.36-3-7	52 Olcott Place	Cheektowaga, NY	12,297
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	307
11/25/2017	102.53-4-7	40 Reo Avenue	Cheektowaga, NY	307
11/27/2017	92.17-3-4	195 Northcrest Avenue	Cheektowaga, NY	306
11/27/2017	235.13-2-4	720 Birch Street	Evans, NY	7,316
11/30/2017	101.36-3-12	78 Avery Place	Cheektowaga, NY	21,340
12/8/2017	101.33-8-6	2246 Bailey Avenue	Buffalo, NY	6,838
12/11/2017	100.63-2-32	22 Coe Place	Buffalo, NY	6,729
2/7/2018	91.08-11-7	101 Balbach Drive	Cheektowaga, NY	185,128
2/7/2018	91.07-6-21	699 S Huth Road	Cheektowaga, NY	179,852
2/7/2018	342.05-2-36	13921 Quaker Street	Collins, NY	135,014
3/26/2018	99.34-3-23	136 W. Ferry Street	Buffalo, NY	9,427

(continued)

(concluded)

<b>Date Acquired</b>	<b>Section/Block/Lot Identification</b>	<b>Property Address</b>	<b>Municipality</b>	<b>Recorded Value *</b>
4/9/2018	78.31-7-35	56 E Hazeltine Avenue	Kenmore, NY	62,049
5/18/2018	39.61-1-9	19 Grove Terrace	Tonawanda, NY	17,627
5/18/2018	52.08-1-16	23 Enterprise Avenue	Tonawanda, NY	30,657
5/18/2018	38.60-2-5	231 Adam Street	Tonawanda, NY	11,257
6/20/2018	112.57-2-19.11	36 Longnecker Street	Buffalo, NY	65,493
10/22/2018	250.15-2-42.1	449 Dawn Avenue	Evans, NY	11,060
10/22/2018	115.25-3-13	26 E. Garfield Street	Lancaster, NY	2,780
10/23/2018	91.14-10-13	2 Redwood Drive	Cheektowaga, NY	7,860
10/23/2018	77.32-7-26	1185 Tonawanda Street	Tonawanda, NY	8,750
10/23/2018	65.41-2-25	178 Mapleview Drive	Tonawanda, NY	26,310
10/23/2018	104.82-5-19	19 Legion Parkway	Lancaster, NY	7,327
10/23/2018	93.06-2-49	3 Home Road	Lancaster, NY	26,249
10/24/2018	193.13-2-1	0 South Creek Road	Evans, NY	190
10/24/2018	103.76-2-17	0 B Street	Depew, NY	940
10/24/2018	90.76-2-28	1576 E. Delavan Avenue	Cheektowaga, NY	19,618
10/24/2018	103.760-2-17	25 A-D Glenwood Court	Cheektowaga, NY	3,940
10/24/2018	102.270-1-28	315 Kennedy Avenue	Evans, NY	680
10/24/2018	102.45-5-31	97 Reo Avenue	Cheektowaga, NY	14,668
10/24/2018	125.09-11-31	100 Lordan Drive	Cheektowaga, NY	38,278
10/24/2018	102.21-7-14	101 David Avenue	Cheektowaga, NY	24,030
10/24/2018	101.60-8-26	1107 Walden Avenue	Cheektowaga, NY	16,871
10/24/2018	102.45-3-36	119 Hedwig Avenue	Cheektowaga, NY	18,810
10/24/2018	79.20-11-10	1603 Kensington Avenue	Cheektowaga, NY	26,310
10/24/2018	91.19-3-43	95 Pinehurst Avenue	Cheektowaga, NY	190
10/24/2018	91.18-7-13	140 Toelsin Drive	Cheektowaga, NY	34,145
10/24/2018	104.82-5-17	0 Walter Street	Lancaster, NY	1,162
10/24/2018	104.11-5-14	28 Hinchey Avenue	Lancaster, NY	9,031
10/24/2018	104.15-7-10	31 Carter Street	Lancaster, NY	1,474
10/24/2018	104.15-9-11	31 Pearl Street	Lancaster, NY	1,360
10/24/2018	26.15-3-30	44 Sunset Court	Amherst, NY	14,725
10/24/2018	68.17-4-18	4590 Harlem Road	Amherst, NY	42,135
10/24/2018	113.42-1-47	90 Vern Lane	Cheektowaga, NY	20,985
10/25/2018	91.06-11-32	36 Peachrow Lane	Cheektowaga, NY	3,325
			Total**	<u>\$ 2,083,792</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.

\*\* During the year ended December 31, 2018, the Corporation invested \$57,907 into several real property locations; the Corporation did not yet have title to the real property.

**2. Real Property Acquisitions/Dispositions** – During the year ended December 31, 2018, the Corporation acquired 40 real properties and disposed of 30 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, 2018, 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 19, 2019.

**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 over financial reporting 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 19, 2019