

Industrial Land Development Corp
2018 Budget

Industrial Land Development Corporation (ILDC)

2018 Budget + 3 Year Forecast

The Industrial Land Development Corporation (“ILDC”) consists of two sub-funds (Erie County’s Business Development Fund (BDF) and a general fund). The ILDC administers the BDF loan fund on behalf of Erie County for HUD-eligible small businesses that would not otherwise be able to obtain such financing from commercial sources. The ILDC also issues tax-exempt bonds on behalf of various not-for-profit organizations in Erie County.

A. Overview of Changes in 2018 Budget:

The following summarizes the key changes between the 2018 budget and the projected 2017 results:

- The decrease in both Other Income and ECIDA Management Fee is due to the fact that in 2017, the ILDC received income from issuing tax-exempt debt that is paid to the ECIDA under a shared services agreement as compensation for the services ECIDA performs. No such fee income is budgeted in the ILDC for 2018 due to the infrequent nature of bond issuances.
- The Special Projects section of the budget relates to ILDC’s acquisition of land in 2017. \$6.7 million was granted to ILDC from ECIDA in 2017, \$5.7 to acquire this land and \$1 million for carrying costs. \$200,000 is budgeted to be used in 2018 toward these carrying costs. ILDC also anticipates receiving the first installment of grant revenue from Empire State Development to offset the cost of the land purchase, which will be passed through to ECIDA’s UDAG Fund. Correspondingly, the increase in Professional Services budget to \$3,800 in 2018 relates to anticipated legal and accounting costs.

B. Summary of Risk Factors impacting the 2018 Budget:

The following significant risk factor may influence the 2018 budget:

1. Due to numerous uncertainties, the value of collateral, guarantees, etc., ILDC’s may experience loan losses that are currently not included in the budget.
2. In the past, the ILDC has generated fee income from issuing tax-exempt debt. These monies are received directly by ILDC and then paid to ECIDA. However, due to the infrequent nature of these activities, and the uncertainty as to when such transactions will occur, ILDC has not included any bond closings in the 2018 budget. It is possible a tax-exempt bond is issued within the next year and both income and expenses will be recognized, accordingly.

BUFFALO & ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")
Budget for 2018

| | Budget 2018 | Approved Budget 2017 | Projected 2017 | Actual 2016 |
|--|------------------------|-------------------------------------|---------------------------|------------------------|
| REVENUES: | | | | |
| Interest Income - Loans | \$ 500 | \$ 30 | \$ 603 | \$ 228 |
| Grant Revenue | - | - | - | - |
| Other Income | - | - | 510,885 | 445,999 |
| Total Revenues | 500 | 30 | 511,488 | 446,227 |
| EXPENSES: | | | | |
| ECIDA Management Fee* | \$ 29,000 | \$ 500 | 484,184 | \$ 158,212 |
| Provision for Loan Losses | - | - | - | (1,359) |
| Professional Services | 3,800 | 300 | 33,898 | 30,535 |
| General Office Expenses | - | 100 | - | - |
| Other Expenses | 2,750 | 500 | 1,915 | 289,123 |
| Total Expenses | 35,550 | 1,400 | 519,997 | 476,511 |
| SPECIAL PROJECTS: | | | | |
| Industrial Land Park (ECIDA/ESD grants) | 1,600,000 | - | 5,700,000 | - |
| Industrial Land Park costs/grant reimbursement | (1,600,000) | - | - | - |
| | - | | 5,700,000 | - |
| NET INCOME/(LOSS): | | | | |
| | \$ (35,050) | \$ (1,370) | \$ 5,691,491 | \$ (30,284) |

* Represents an allocation of salary and benefit costs from the ECIDA based on time charged to the ILDC.

INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")
Three Year Forecast 2019-2021

| | Budget 2018 | Forecast 2019 | Forecast 2020 | Forecast 2021 |
|--|------------------------|--------------------------|--------------------------|--------------------------|
| REVENUES: | | | | |
| Interest Income - Loans | \$ 500 | \$ 375 | \$ 225 | \$ 100 |
| Interest Income - Cash & Investments | - | 25 | 25 | 25 |
| Proceeds from Land Sales | - | - | 250,000 | 250,000 |
| Total Revenues | 500 | 400 | 250,250 | 250,125 |
| EXPENSES: | | | | |
| ECIDA Management Fee* | \$ 29,000 | \$ 30,000 | \$ 30,000 | \$ 30,000 |
| Professional Services | 3,800 | 3,500 | 3,600 | 3,800 |
| Other Expenses | 2,750 | 2,500 | 4,000 | 5,000 |
| Total Expenses | 35,550 | 36,000 | 37,600 | 38,800 |
| SPECIAL PROJECTS: | | | | |
| Industrial Land Park (ECIDA/ESD grants) | 1,600,000 | 900,000 | 880,000 | 200,000 |
| Industrial Land Park costs/grant reimbursement | (1,600,000) | (900,000) | (880,000) | (200,000) |
| | - | - | - | - |
| NET INCOME/(LOSS): | \$ (35,050) | \$ (35,600) | \$ 212,650 | \$ 211,325 |

* Represents an allocation of salary and benefit costs from the ECIDA based on time charged to the ILDC.

Budget Report for Buffalo and Erie County Industrial Land Development Corporation

Run Date: 10/27/2017
Status: UNSUBMITTED

Fiscal Year Ending 12/31/2018

Budget & Financial Plan: Budgeted Revenues, Expenditures, And Changes In Current Net Assets

| | Last Year (Actual) 2016 | Current Year (Estimated) 2017 | Next Year (Adopted) 2018 | Proposed 2019 | Proposed 2020 | Proposed 2021 |
|--|-------------------------|-------------------------------|--------------------------|-------------------|--------------------|------------------|
| REVENUE & FINANCIAL SOURCES | | | | | | |
| Operating Revenues | | | | | | |
| Charges for services | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Rentals & Financing Income | \$228 | \$603 | \$500 | \$375 | \$225 | \$100 |
| Other Operating Revenues | \$445,999 | \$510,885 | \$0 | \$0 | \$0 | \$0 |
| Nonoperating Revenues | | | | | | |
| Investment earnings | \$0 | \$0 | \$0 | \$25 | \$25 | \$25 |
| State subsidies / grants | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Federal subsidies / grants | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Municipal subsidies / grants | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Public authority subsidies | \$0 | \$5,700,000 | \$1,600,000 | \$900,000 | \$880,000 | \$200,000 |
| Other Non-Operating Revenues | \$0 | \$0 | \$0 | \$0 | \$250,000 | \$250,000 |
| Proceeds from the issuance of debt | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Total Revenues & Financing Sources | \$446,227 | \$6,211,488 | \$1,600,500 | \$900,400 | \$1,130,250 | \$450,125 |
| EXPENDITURES | | | | | | |
| Operating Expenditures | | | | | | |
| Salaries and Wages | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other Employee Benefits | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Professional Services Contracts | \$30,536 | \$33,898 | \$3,800 | \$3,500 | \$3,600 | \$3,800 |
| Supplies and Materials | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other Operating Expenditures | \$445,975 | \$486,098 | \$31,750 | \$32,500 | \$34,000 | \$35,000 |
| Nonoperating Expenditures | | | | | | |
| Payment of principal on bonds and financing arrangements | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Interest and other financing charges | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Subsidies to other public authorities | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Capital asset outlay | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Grants and Donations | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Other Non-Operating Expenditures | \$0 | \$0 | \$1,600,000 | \$900,000 | \$880,000 | \$200,000 |
| Total Expenditures | \$476,511 | \$519,996 | \$1,635,550 | \$936,000 | \$917,600 | \$238,800 |
| Capital Contributions | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| Excess (deficiency) of revenues and capital contributions over expenditures | (\$30,284) | \$5,691,492 | (\$35,050) | (\$35,600) | \$212,650 | \$211,325 |

The authority's budget, as presented to the Board of Directors, is posted on the following website: <http://www.ecidany.com/about-us-corporate-reports>

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Additional Comments :