

HOST COMMUNITY STANDING COMMITTEE

Independent Accountants' Report on
Applying Agreed-Upon Procedures

for the three period July 1, 2011 through June 30, 2014

BROWN & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

Independent Accountants' Report on Applying Agreed-Upon Procedures

Host Community Standing Committee Members

We have performed the procedures enumerated below, which were agreed to by the Chairman and Members, solely to assist you in evaluating if approved projects for the three year period July 1, 2011 thru June 30, 2014 were properly approved and disbursed in a reasonably consistent manner in accordance with the Host Community Standing Committee's controlling documents being Host Community Relicensing Settlement Agreement (HCRSA) dated June 27, 2005 and Standing Committee Protocol (SCP) approved May 28, 2008. This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

The procedures as outlined in our engagement letter dated April 16, 2015 and associated findings are as follows (Host Community Standing Committee abbreviated HCSC):

Agreed-upon Procedure

Finding

- | | |
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| A) We reviewed the meeting minutes of the HCSC and audit reports for member entities for the three year period July 1, 2011 to June 30, 2014. | N/A |
| B) In reference to section 7.4 of HCRSA schedule out and review for compliance all such expenditures for administrative expenditures and checks signed by Chair and one member of finance committee. | N/A No checks or administrative expenditures. |
| C) As referenced in section 7.5 of the HCRSA determine annual report submitted within sixty (60) days and it includes:

1) Summary of all active projects funded;
2) Project by project listing of all expenditures from the Host Community Fund during previous fiscal year;
3) Detailed listing of all planned expenditures during current fiscal year in which report is issued;
4) An updated balance sheet for the Host Committee Greenway Fund, which includes Host Community Greenway Fund expenditures, administrative expenses, and accrued interest;

5) A summary of significant correspondence with the Niagara River Greenway Commission | The 2013 report was submitted Sept. 4, 2013; due date of sixty days was August 31, 2013. Annual reports contained all items except the 2012 report excluded reporting of \$3,000,000 as a deposit on June 29, 2012 and the 2014 bank activity report was overstated by \$9.70 due to transposition of interest earnings for City of Niagara Falls. |

D) In reference to the annual payment of \$3,000,000 from the New York Power Authority:

- 1) Verify annual receipt of funds in HCSC bank clearing account by July 1;
- 2) Verify bank transfer of funds to respective entities;
- 3) Host Communities' fund bank accounts "as soon as practical" (for this purpose defined as two weeks) and pursuant to percentage allocations per section 4.3 HCSC's controlling documents being the HCRSA.

E) Regarding the approved projects for the period July 1, 2011 thru June 30, 2014:

- 1) Agreement to Summary of Active projects Report;
- 2) Verify written documentation exists (section 7.3 of the HCRSA):
 - a) Evidencing consultation with Greenway Commission and respective municipality elected officials (can be representative on HCSC)
 - b) Setting forth an operations and maintenance plan
 - c) Qualifying project costs (SCP page 9)
- 3) Verify compliance to Consistency Determination per SCP document approved 5/28/08 page 3
 - a) Five (5) members vote approving project deems it consistent with Greenway Plan
- 4) Selection and Funding documentation by HCSC (SCP page 4)
- 5) Release of Funds (SCP page 8)
 - a) Properly authorized/signed by Host Community sponsor from its Host Community Fund Account;
 - b) Funds released within thirty (30) days of approval, selection, and funding

No exceptions were found as a result of applying these procedures.

Project file documents were not clear as to the number of years over which funds were to be withdrawn for projects 13-001 and 13-004 (NF School and Lew-Port School projects respectively). To avoid any confusion and/or uncertainty, the documents and status report should clearly specify the number of years

No exceptions were found as a result of applying these procedures.

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Fifteen exceptions were noted where funds were not released within thirty days of approval. Release of fund requests are the entity's responsibility and usually drawn out by entity when project begins.

Overall the project files were orderly and complete upon adoption of formal SCP on May 28, 2008 and procedures were clarified. **HCSC should receive a copy of all withdraw requests from member entities and file this document in the respective project files.**

Primary documents reviewed for the procedures above were the Host Community Standing Committee Review Form and related project application, municipality's board resolution, minutes of Greenway Commission and the Host Community Standing Committee resolution approving project and expressing consistency of the project.

The controlling documents call for interest to be used to pay administrative expenditures of the fund and any excess interest is available to be distributed to the member entities. As of June 30, 2014 \$44,776 is in the clearing account for such expenditures. Presently, the Niagara Power Coalition is paying for all administrative expenditures of HCSC; if this should change we suggest annual budgeting of for administrative expenses (audit, legal, administrative services etc.) with expense allocation to each entity based on their percentage per 4.3 of the HCRSA with the remaining accumulated interest distributed to each entity per their respective percentages for project use.

Following is a summary of the cash received and disbursed from HCSC Clearing Account during the three year period July 1, 2011-June 30, 2014: (see schedules I-IV for detail of all accounts)

Balance in HCSC main account, June 30, 2011		\$ <u>44,776</u>
Funds received New York Power Authority:		
July 1, 2011	\$ 3,000,000	
June 29, 2011	3,000,000	
July 1, 2012	<u>3,000,000</u>	<u>9,000,000</u>
Funds disbursed to HCSC Member accounts:		
October 14, 2011	\$ 3,000,000	
September 24, 2012	3,000,000	
August 9, 2013	<u>3,000,000</u>	<u>9,000,000</u>
Funds remaining in HCSC Clearing Account		\$ <u>44,776</u>

We audited the activity and financial statements for the three year period July 1, 2011 to June 30, 2014 and issued our report dated June 17, 2014. We were not engaged to, and did not perform an audit for purposes of this report, the objective of which would be the expression of an opinion on the specified elements of this report. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for your information and use of the Host Community Standing Committee and is not intended to be and should not be used by anyone other than those specified parties.

Brown Company, LLP

June 17, 2015

HOST COMMUNITY STANDING COMMITTEE (HCSC)
Bank Activity Summary and Balances For The Three Years
July 1, 2011 - June 30, 2014

	Balance June 30, 2011	Deposits	Interest	Withdrawal	Balance June 30, 2014
HCSC Clearing account 822-82617-8	\$ 44,776.21	9,000,000.00	-	(9,000,000.00)	44,776.21
Member Accounts					
Town of Lewiston account 822-67019-4	351,741.49	1,530,000.00	1,342.97	(1,747,280.00)	135,804.46
Niagara Falls School account 822-67106-9	1,701,114.62	1,260,000.00	12,867.50	(2,940,000.00)	33,982.12
Lewiston-Porter School account 822-67135-2	850,076.49	1,260,000.00	4,366.33	(1,680,000.00)	434,442.82
Niagara-Wheatfield account 822-67174-3	1,458,068.08	1,080,000.00	7,974.26	(2,185,213.62)	360,828.72
Town of Niagara account 822-67257-0	391,926.78	1,170,000.00	922.16	(1,172,487.00)	390,361.94
City of Niagara Falls account 822-67342-8	271,175.49	1,530,000.00	3,472.42	(1,165,000.00)	639,647.91
Niagara County account 822-67435-1	365,594.57	1,170,000.00	2,489.15	(1,162,091.00)	375,992.72
Member accounts total July 1, 2011-June 30, 2014	5,389,697.52	9,000,000.00	33,434.79	(12,052,071.62)	2,371,060.69
Total bank account balances all accounts	\$ 5,434,473.73	18,000,000.00	33,434.79	(21,052,071.62)	2,415,836.90

HOST COMMUNITY STANDING COMMITTEE (HCSC)
 BANK ACTIVITY
 JULY 1, 2011 TO JUNE 30, 2012

DATE	HCSC MAIN A/C 822-82617-8	TOWN OF LEWISTON 822-67019-4	NF SCHOOL DISTRICT 822-67106-9	LEW-POR T SCHOOL 822-67135-2	N. WHEAT SCHOOL 822-67174-3	TOWN OF NIAGARA 822-67257-0	CITY OF N. FALLS 822-67342-8	NIAGARA COUNTY 822-67435-1	ACTIVITY TOTAL	TOTAL BANK BALANCES
6/30/11 BALANCE	\$ 44,776.21	351,741.49	1,701,114.62	850,076.49	1,458,068.08	391,926.78	271,175.49	365,594.57	5,434,473.73	5,434,473.73
7/1/11 DEPOSIT	3,000,000.00	-	-	-	-	-	-	-	3,000,000.00	8,434,473.73
7/31/11 INTEREST	-	44.81	361.20	180.50	309.59	49.93	34.55	46.58	1,027.16	8,435,500.89
8/4/11 WITHDRAW VETERANS PARK	-	-	-	-	-	(391,000.00)	-	-	(391,000.00)	8,044,500.89
8/26/11 WITHDRAW JAZZ FESTIVAL	-	(15,000.00)	-	-	-	-	-	-	(15,000.00)	8,029,500.89
8/26/11 WITHDRAW BATTLE OF QUEENSTON	-	(25,000.00)	-	-	-	-	-	-	(25,000.00)	8,004,500.89
8/26/11 WITHDRAW TUSCARORA MONUMENT	-	(300,000.00)	-	-	-	-	-	-	(300,000.00)	7,704,500.89
8/31/11 INTEREST	-	36.43	463.83	231.78	397.56	4.94	34.55	46.58	1,215.67	7,705,716.56
9/30/11 INTEREST	-	1.46	489.60	244.66	419.65	0.12	33.44	45.08	1,234.01	7,706,950.57
10/14/11 FUNDS TRANSFER	(3,000,000.00)	510,000.00	420,000.00	420,000.00	360,000.00	390,000.00	510,000.00	390,000.00	-	7,706,950.57
10/31/11 INTEREST	-	90.70	578.56	325.38	495.90	28.97	149.34	149.98	1,818.83	7,708,769.40
11/28/11 WITHDRAW OLCOTT BEACH CAROUSEL	-	-	-	-	-	-	-	(52,644.00)	(52,644.00)	7,656,125.40
11/30/11 INTEREST	-	142.99	581.65	348.24	498.55	48.21	214.09	205.79	2,039.52	7,658,164.92
12/1/11 WITHDRAW MARBLE ORCHARD	-	(15,000.00)	-	-	-	-	-	-	(15,000.00)	7,643,164.92
12/1/11 WITHDRAW ACADEMY PARK ICE RINK	-	(134,000.00)	-	-	-	-	-	-	(134,000.00)	7,509,164.92
12/31/11 INTEREST	-	47.53	541.08	323.95	463.77	49.82	199.16	179.23	1,804.54	7,510,969.46
1/25/12 WITHDRAW VETERANS PARK	-	-	-	-	-	(391,000.00)	-	-	(391,000.00)	7,119,969.46
1/31/12 INTEREST	-	47.53	541.22	324.03	463.89	38.58	199.21	179.28	1,793.74	7,121,763.20
2/29/12 INTEREST	-	44.47	506.43	303.20	434.07	0.02	186.40	167.76	1,642.35	7,123,405.55
3/31/12 INTEREST	-	47.54	541.48	324.19	464.12	0.02	199.31	179.37	1,756.03	7,125,161.58
4/30/12 INTEREST	-	46.02	524.15	313.81	449.26	0.02	192.93	173.63	1,699.82	7,126,861.40
5/18/12 INTEREST HSBC 5/1/12-5/21/12	-	27.61	314.57	188.33	269.62	0.01	115.78	104.20	1,020.12	7,127,881.52
5/23/12 WITHDRAW LEW-POR RECREATION	-	-	(840,000.00)	-	-	-	-	-	(840,000.00)	6,287,881.52
5/31/12 INTEREST FIRST NIAGARA	-	14.32	195.19	49.05	167.30	-	48.25	43.42	517.53	6,288,399.05
6/14/12 WITHDRAW HARTLAND PARK	-	-	-	-	-	-	-	(244,000.00)	(244,000.00)	6,044,399.05
6/14/12 WITHDRAW PALACE THEATRE	-	(45,000.00)	-	-	-	-	-	(151,697.00)	(151,697.00)	5,892,702.05
6/29/12 WITHDRAW ARTIPARK SUMMER PROGRAMS	-	-	-	-	-	-	-	-	(45,000.00)	5,847,702.05
6/29/12 NYPA DEPOSIT FOR 2013 YEAR	3,000,000.00	-	-	-	-	-	-	-	3,000,000.00	8,847,702.05
6/30/12 INTEREST	-	37.15	378.77	123.09	324.65	0.01	93.30	57.52	1,014.49	8,848,716.54
7/1/11-6/30/12	3,044,776.21	328,370.05	2,127,132.35	433,356.70	1,823,226.01	147.43	782,875.80	308,831.99	8,848,716.54	8,848,716.54

HOST COMMUNITY STANDING COMMITTEE (HCSC)

BANK ACTIVITY

JULY 1, 2012 TO JUNE 30, 2013

DATE	HCSC MAIN A/C 822-82617-8	TOWN OF LEWISTON 822-67019-4	NF SCHOOL DISTRICT 822-67106-9	LEW-PORT SCHOOL 822-67135-2	N. WHEAT SCHOOL 822-67174-3	TOWN OF NIAGARA 822-67257-0	CITY OF N. FALLS 822-67342-8	NIAGARA COUNTY 822-67435-1	ACTIVITY TOTAL	TOTAL BANK BALANCES
6/30/12 BALANCE		43.19	373.01	56.99	319.72	0.02	102.96	40.62	936.51	8,849,653.05
7/31/12 INTEREST		-	-	-	-	-	(200,000.00)	-	(200,000.00)	8,649,653.05
8/9/12 WITHDRAW GRIFFON PARK		-	-	-	-	-	(200,000.00)	-	(200,000.00)	8,449,653.05
8/9/12 WITHDRAW HYDE PARK COMFORT ST.		-	-	-	-	-	(365,000.00)	-	(365,000.00)	8,084,653.05
8/9/12 WITHDRAW LASALLE WATERFRONT PARK		-	-	-	-	-	-	(29,000.00)	(29,000.00)	8,055,653.05
8/9/12 WITHDRAW MOUTH OF LOW. NIAG RIVER		-	-	-	-	-	-	(66,000.00)	(66,000.00)	7,989,653.05
8/9/12 WITHDRAW KIDDELAND PROJECT		-	-	-	-	-	-	30.37	30.37	7,990,479.13
8/31/12 INTEREST		41.84	361.41	55.22	309.78	0.02	27.44	-	826.08	7,990,479.13
9/24/12 FUNDS TRANSFER	(3,000,000.00)	510,000.00	420,000.00	420,000.00	360,000.00	390,000.00	510,000.00	390,000.00	-	7,991,266.84
9/30/12 INTEREST		48.28	338.00	58.51	289.71	8.03	12.55	32.63	787.71	7,991,266.84
10/11/12 WITHDRAW JOSEPH DAVIS PARK		(450,000.00)	-	-	-	-	-	-	(450,000.00)	7,541,266.84
10/31/12 INTEREST		74.88	460.81	115.76	394.98	52.91	71.61	81.91	1,252.86	7,542,519.70
11/30/12 INTEREST		47.91	418.99	105.25	359.13	48.11	65.11	74.47	1,118.97	7,543,638.67
12/10/12 WITHDRAW TOWN OF WILSON WALKWAY		-	-	-	-	-	-	(90,350.00)	(90,350.00)	7,453,288.67
12/31/12 INTEREST		39.40	366.67	86.55	314.29	39.56	53.54	55.42	955.43	7,454,244.10
1/18/13 WITHDRAW ACADEMY PARK ICE RINK		(156,640.00)	-	-	-	-	-	-	(156,640.00)	7,297,604.10
1/31/13 INTEREST		27.00	324.81	72.52	278.41	33.15	44.86	43.64	824.39	7,298,428.49
2/29/13 INTEREST		17.80	293.42	65.51	251.50	29.94	40.52	39.42	738.11	7,299,166.60
3/5/13 WITHDRAW N.W. RECREATION FACILITY		-	-	-	(2,185,213.62)	-	-	-	(2,185,213.62)	5,113,952.98
3/9/13 WITHDRAW L.P. RECREATION COMPLEX		-	-	(420,000.00)	-	-	-	-	(420,000.00)	4,693,952.98
3/31/13 INTEREST		18.44	303.93	41.39	35.93	31.02	41.98	40.83	513.52	4,694,466.50
4/30/13 INTEREST		20.35	335.41	38.05	-	34.23	46.32	45.06	519.42	4,694,985.92
5/31/12 INTEREST		19.71	324.97	36.87	-	33.16	44.88	43.65	503.24	4,695,489.16
6/17/13 WITHDRAW HASELEY EINHAUS		-	-	-	-	-	-	(100,000.00)	(100,000.00)	4,595,489.16
6/17/13 WITHDRAW PORTER ON THE LAKE		-	-	-	-	-	-	(150,000.00)	(150,000.00)	4,445,489.16
6/17/13 WITHDRAW NIAGARA 1812		-	-	-	-	-	-	(43,000.00)	(43,000.00)	4,402,489.16
6/17/13 WITHDRAW TOWN OF WILSON HARBOR		-	-	-	-	-	-	(70,000.00)	(70,000.00)	4,332,489.16
6/30/13 INTEREST		17.81	293.56	33.30	565.84	29.95	40.54	27.50	442.66	4,332,931.82
7/1/12-6/30/13		232,146.66	2,551,327.34	434,122.62	565.84	390,487.53	528,468.11	151,037.51	4,332,931.82	

HOST COMMUNITY STANDING COMMITTEE (HCSC)
 BANK ACTIVITY
 JULY 1, 2013 TO JUNE 30, 2014

DATE	DESCRIPTION	HCSC MAIN A/C 822-82617-8	TOWN OF LEWISTON 822-67019-4	NF SCHOOL DISTRICT 822-67106-9	LEW-PORT SCHOOL 822-67135-2	N. WHEAT SCHOOL 822-67174-3	TOWN OF NIAGARA 822-67257-0	CITY OF N. FALLS 822-67342-8	NIAGARA COUNTY 822-67435-1	ACTIVITY TOTAL	TOTAL BANK BALANCES
6/30/13	BALANCE	44,776.21	232,146.66	2,551,327.34	434,122.62	565.84	390,487.53	528,468.11	151,037.51	4,332,931.82	4,332,931.82
7/1/13	DEPOSIT NYPA FOR 2014	3,000,000.00	-	-	(420,000.00)	-	-	-	-	3,000,000.00	7,332,931.82
7/2/13	WITHDRAW L.P. RECREATION COMPLEX	-	-	-	3.68	-	-	-	-	(420,000.00)	6,912,931.82
7/3/13	INTEREST	-	20.99	346.02	-	0.01	35.31	47.78	13.66	467.45	6,913,399.27
8/9/13	FUNDS TRANSFER	(3,000,000.00)	510,000.00	420,000.00	420,000.00	360,000.00	390,000.00	510,000.00	390,000.00	-	6,913,399.27
8/31/13	INTEREST	-	49.82	352.58	26.20	21.73	55.61	105.48	-	-	6,914,046.61
9/9/13	WITHDRAW	-	-	-	-	-	(390,487.00)	-	-	647.34	6,914,046.61
9/30/13	INTEREST	-	63.04	378.65	36.87	30.63	42.76	132.33	45.96	(390,487.00)	6,523,559.61
10/31/13	INTEREST	-	63.05	378.70	36.88	30.63	33.14	132.34	45.96	730.24	6,524,289.85
11/6/13	WITHDRAW JOSEPH DAVIS PARK	-	(450,000.00)	-	-	-	-	-	-	720.70	6,525,010.55
11/30/13	INTEREST	-	29.39	354.31	34.50	28.66	31.00	123.82	43.00	(450,000.00)	6,075,010.55
12/17/13	WITHDRAW OLCOTT BEACH ENHANCEMENT	-	-	-	-	-	-	-	-	644.68	6,075,655.23
12/17/13	WITHDRAW TUSCARORA MONUMENT	-	-	-	-	-	-	-	(125,000.00)	(125,000.00)	5,950,655.23
12/31/13	INTEREST	-	25.63	391.01	38.07	31.62	34.21	136.65	41.70	(15,000.00)	5,935,655.23
1/3/14	WITHDRAW ACADEMY PARK ICE RINK	-	(156,640.00)	-	-	-	-	-	-	698.89	5,936,354.12
1/31/14	INTEREST	-	12.39	378.84	-	30.64	33.14	132.39	34.08	(156,640.00)	5,779,714.12
2/7/14	WITHDRAW RECREATION FACILITY	-	-	(2,940,000.00)	-	-	-	-	-	658.37	5,780,372.49
2/29/14	INTEREST	-	10.42	73.53	33.32	27.67	29.94	119.59	-	(2,940,000.00)	2,840,372.49
3/7/14	WITHDRAW DAY ROAD PARK	-	-	-	-	-	-	-	-	325.26	2,840,697.75
3/31/14	INTEREST	-	6.14	0.29	19.64	16.31	17.64	91.13	(25,400.00)	(25,400.00)	2,815,297.75
4/30/14	INTEREST	-	5.58	0.28	17.85	14.83	16.04	85.44	15.45	168.42	2,815,466.17
5/5/14	WITHDRAW GRIFFON PARK	-	-	-	-	-	-	(200,000.00)	-	155.47	2,815,621.64
5/31/14	INTEREST	-	5.58	0.28	17.85	14.83	16.04	41.30	15.45	(200,000.00)	2,615,621.64
6/16/14	WITHDRAW OLD STONE CHIMNEY	-	-	-	-	-	-	(200,000.00)	-	111.33	2,615,732.97
6/30/14	INTEREST	-	5.77	0.29	18.45	15.32	16.58	31.55	15.97	(200,000.00)	2,415,732.97
7/1/13-6/30/14		44,776.21	135,804.46	33,982.12	434,442.82	360,828.72	390,361.94	639,647.91	375,982.72	2,415,836.90	2,415,836.90