

BROWN & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

June 17, 2015

To the Host Community Standing Committee
Niagara Falls, New York

MANAGEMENT LETTER

In planning and performing our audit of the financial statements of the Host Community Standing Committee (HCSC) for the three year period July 1, 2011 to June 30, 2014 on which we have issued our report dated June 17, 2015 we considered its internal control in order to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on the HCSC's internal control.

Such consideration would not necessarily disclose all matters in the HCSC's internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

We found the project files generally to be in good order with improvement as to documentation once the formal SCP was adopted in May 2008. We did note the following matters related to the HCSC's internal control and certain other accounting, administrative, and operating matters we feel could be improved and strengthened.

1) FUND TRANSFERS

When member entities withdraw funds from their HCSC bank account to their own municipal bank account for approved projects we suggest that the HCSC obtain a copy of the entities withdraw request maintain it in the project file.

2) PROJECT MONITORING

HCSC presently has three projects (11-015, 13-001, 13-004) for the school district members that require multi-year funding drawdowns. At any given time, the remaining funds outstanding for each project may be determined but it is not readily available or reported on the project status reports or other reports.

HCSC needs to keep accurate record of the funds disbursed and funding outstanding on these and any other multi-year project and report it as part of the monthly project status report. We suggest another field be added or attachment to the project status report showing the remaining unpaid funds due on each such project. Remaining unpaid fund amount would be the total project approved dollar amount less actual amounts drawn to date.

Additionally, Lew-Port School had another multi-year project from 2008 (Phase I) which should be monitored and reported in the same manner.

(1)

3) PROJECT APPROVAL

All multi-year funded projects should not only clearly reference the total dollar amount of the project but the documents from the sponsoring entity and HCSC resolutions should state the number of years over which the project is to be funded.

The nature of this letter is to suggest and recommend improvements and we have already discussed these comments and suggestions with appropriate staff members.

We thank the staff of the HCSC for their cooperation during our audit and appreciate the opportunity to be of service. This report is intended solely for the information and use of the HCSC and is not intended to be and should not be used by anyone other than these specified parties.

Brown & Company, LLP

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CERTIFIED PUBLIC ACCOUNTANTS

June 17, 2015

To the Members
Host Community Standing Committee

Communication with Those Charged with Governance at the Conclusion of the Audit

We have audited the financial statements of Host Community Standing Committee (HCSC) for the three year period July 1, 2011 to June 30, 2014 and have issued our report thereon dated June 17, 2015. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 17, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practice

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by HCSC are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies were not changed during the period July 1, 2011 to June 30, 2014. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The financial statements do not include any such estimates.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated July 7, 2015 (copy attached).

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Members and management of HCSC and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Brown & Company, LLP

BROWN & COMPANY, LLP

HOST COMMUNITY STANDING COMMITTEE

NIAGARA COUNTY . CITY OF NIAGARA FALLS . TOWN OF LEWISTON . TOWN OF NIAGARA
CITY OF NIAGARA FALLS SCHOOL DISTRICT . NIAGARA-WHEATFIELD CENTRAL SCHOOL DISTRICT .
LEWISTON PORTER CENTRAL SCHOOL DISTRICT . NEW YORK POWER AUTHORITY

July 7, 2015

Brown & Company, LLP
4992 Sweet Home Road
Niagara Falls, NY 14305

Dear Sirs:

We are providing this letter in connection with your audit of the financial statements of the Host Community Standing Committee as of June 30, 2014 and for the period July 1, 2011 to June 30, 2014 for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position of the HCSC in conformity with U.S. generally accepted accounting principles. We confirm that we are responsible for the fair presentation of the previously mentioned financial statements in conformity with U.S. generally accepted accounting principles. We are also responsible for adopting sound accounting policies, establishing and maintaining internal control, and preventing and detecting fraud.

We confirm, to the best of our knowledge and belief, as of June 17, 2015 (date financial statements were available), the following representations made to you during your audit:

1. The financial statements referred to above are fairly presented in conformity with U.S. generally accepted accounting principles and include all properly classified funds and other financial information of the primary government required by generally accepted accounting principles to be included in the financial reporting entity.
2. We have made available to you all—
 - a. Financial records and related data.
 - b. Minutes of the meetings of the Host Community Standing Committee or summaries of actions of recent meetings for which minutes have not yet been prepared.
3. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
4. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
5. There were no uncorrected financial statement misstatements that, individually or in the aggregate, would be material to the financial statements taken as a whole.
6. We acknowledge our responsibility for the design and implementation of programs and controls to prevent and detect fraud.

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7. We have no knowledge of any fraud or suspected fraud affecting the entity involving:
 - a. Management;
 - b. Employees who have significant roles in internal control, or
 - c. Others where the fraud could have a material effect on the financial statements.
8. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, former employees, analysts, regulators, or others.
9. We have identified to you any previous audits, attestation engagements and other studies related to the audit objectives and whether related recommendations have been implemented.
10. The HCSC has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
11. The following, if any, have been properly recorded or disclosed in the financial statements:
 - a. Related party transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties.
 - b. Guarantees, whether written or oral, under which the HCSC is contingently liable.
 - c. All accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates, and we believe the estimates are reasonable in the circumstances, consistently applied, and adequately disclosed.
12. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us; and we have identified and disclosed to you all laws, regulations and provisions of contracts and agreements that we believe have a direct and material effect on the determination of financial statement amounts, or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
13. There are no—
 - a. Violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting noncompliance.
 - b. Unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with Financial Accounting Standards Board (FASB) Statement No. 5, *Accounting for Contingencies*.
 - c. Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by FASB Statement No. 5.
 - d. Reservations or designation of fund equity that were not properly authorized and approved.

14. The HCSC has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
15. The HCSC has complied with all aspects of contractual agreements that would have a material effect on the general purpose financial statements in the event of noncompliance.
16. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
17. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations. (none)
18. The financial statements properly classify all funds and activities.
19. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
20. Net asset components (unrestricted) and fund balance reserves and designations are properly classified and, if applicable, approved.
21. Revenues are appropriately classified in the statement of revenues and expenses within program revenues.
22. Deposits and investment securities are properly classified as to risk, and investments are properly valued.
23. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
24. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements.



Cynthia Bianco
Chairperson



Mary Melloni
Administrative Assistant

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

- 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.
- 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.
- 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

N/A

N/A No checks or administrative expenditures.

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 entites;
- 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.

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

No exceptions were found as a result of applying procedure.

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
6/29/12 WITHDRAW PALACE THEATRE	-	(45,000.00)	-	-	-	-	-	(151,697.00)	(151,697.00)	5,892,702.05
6/29/12 WITHDRAW ARTPARK 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	

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	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
7/31/12	-	43.19	373.01	56.99	319.72	0.02	102.96	40.62	936.51	8,849,653.05
8/9/12	-	-	-	-	-	-	(200,000.00)	-	(200,000.00)	8,649,653.05
8/9/12	-	-	-	-	-	-	(200,000.00)	-	(200,000.00)	8,449,653.05
8/9/12	-	-	-	-	-	-	(365,000.00)	-	(365,000.00)	8,084,653.05
8/9/12	-	-	-	-	-	-	-	(29,000.00)	(29,000.00)	8,055,653.05
8/31/12	-	-	-	-	-	-	-	(66,000.00)	(66,000.00)	7,989,653.05
9/24/12	-	41.84	361.41	55.22	309.78	0.02	27.44	30.37	826.08	7,990,479.13
9/30/12	(9,000,000.00)	510,000.00	420,000.00	420,000.00	360,000.00	390,000.00	510,000.00	390,000.00	-	7,990,479.13
9/30/12	-	48.28	338.00	58.51	289.71	8.03	12.55	32.63	787.71	7,991,266.84
10/11/12	-	(450,000.00)	-	-	-	-	-	-	(450,000.00)	7,541,266.84
10/31/12	-	74.88	460.81	115.76	394.98	52.91	71.61	81.91	1,252.86	7,542,519.70
11/30/12	-	47.91	418.99	105.25	359.13	48.11	65.11	74.47	1,118.97	7,543,638.67
12/31/12	-	-	-	-	-	-	-	(90,350.00)	(90,350.00)	7,453,288.67
1/18/13	-	39.40	366.67	86.55	314.29	39.56	53.54	55.42	955.43	7,454,244.10
1/31/13	-	(156,640.00)	-	-	-	-	-	-	(156,640.00)	7,297,604.10
2/29/13	-	27.00	324.81	72.52	278.41	33.15	44.86	43.64	824.39	7,298,428.49
3/5/13	-	17.80	293.42	65.51	251.50	29.94	40.52	39.42	738.11	7,299,166.60
3/9/13	-	-	-	-	(2,185,213.62)	-	-	-	(2,185,213.62)	5,113,952.98
3/31/13	-	-	-	(420,000.00)	-	-	-	-	(420,000.00)	4,693,952.98
4/30/13	-	18.44	303.93	41.39	35.93	31.02	41.98	40.83	513.52	4,694,466.50
5/31/13	-	20.35	335.41	38.05	-	34.23	46.32	45.06	519.42	4,694,985.92
6/17/13	-	19.71	324.97	36.87	-	33.16	44.88	43.65	503.24	4,695,489.16
6/17/13	-	-	-	-	-	-	-	(100,000.00)	(100,000.00)	4,595,489.16
6/17/13	-	-	-	-	-	-	-	(150,000.00)	(150,000.00)	4,445,489.16
6/17/13	-	-	-	-	-	-	-	(43,000.00)	(43,000.00)	4,402,489.16
6/30/13	-	17.81	293.56	33.30	-	-	-	(70,000.00)	(70,000.00)	4,332,489.16
7/1/12-6/30/13	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

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-POR 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	-	-	-	-	-	-	-	3,000,000.00	7,332,931.82
7/2/13	WITHDRAW LP RECREATION COMPLEX	-	-	-	(420,000.00)	-	-	-	-	(420,000.00)	6,912,931.82
7/31/13	INTEREST	-	20.99	346.02	3.68	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	467.45	6,913,399.27
8/31/13	INTEREST	-	49.82	352.58	26.20	21.73	55.61	105.48	35.92	-	6,913,399.27
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	-	-	-	-	-	-	-	(15,000.00)	(15,000.00)	5,935,655.23
1/3/14	WITHDRAW ACADEMY PARK ICE RINK	-	25.63	391.01	38.07	31.62	34.21	136.65	41.70	698.89	5,936,354.12
1/31/14	INTEREST	-	(156,640.00)	-	-	-	-	-	-	(156,640.00)	5,779,714.12
2/7/14	WITHDRAW RECREATION FACILITY	-	12.39	378.84	36.89	30.64	33.14	132.39	34.08	658.37	5,780,372.49
2/29/14	INTEREST	-	10.42	(2,940,000.00)	-	-	-	-	-	(2,940,000.00)	2,840,372.49
3/7/14	WITHDRAW DAY ROAD PARK	-	-	73.53	33.32	27.67	29.94	119.59	-	325.26	2,840,697.75
3/31/14	INTEREST	-	6.14	0.29	19.64	16.31	-	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	17.27	168.42	2,815,466.17
5/5/14	WITHDRAW GRIFFON PARK	-	-	-	-	-	-	-	15.45	155.47	2,815,621.64
5/31/14	INTEREST	-	5.58	0.28	17.85	14.83	16.04	(200,000.00)	-	(200,000.00)	2,615,621.64
6/16/14	WITHDRAW OLD STONE CHIMNEY	-	-	-	-	-	-	41.30	15.45	111.33	2,615,732.97
6/30/14	INTEREST	-	5.77	0.29	18.45	15.32	16.58	(200,000.00)	-	(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	375,992.72	103.93	2,415,836.90

HOST COMMUNITY STANDING COMMITTEE

Financial Statements

June 30, 2014

with

Independent Auditors' Report

**HOST COMMUNITY STANDING COMMITTEE
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Host Community Standing Committee (HCSC)

Management's Discussion and Analysis

The Host Community Standing Committee (HCSC) was organized pursuant to the Host Community Relicensing Settlement Agreement dated June 27, 2005 (HCRSA). It consists of eight (8) members and administers and oversees projects financed by the Greenway Recreation/Tourism Fund as referenced in section 7 of the HCRSA and has sole responsibility for selecting projects to be financed in whole or in part by the Greenway Recreation/Tourism Fund. Annual payments from the New York Power Authority (NYPA) of \$3,000,000 pursuant to the HCRSA are handled by the HCSC. The eight members of the HCSC are the New York Power Authority (NYPA) and municipal entities of the City of Niagara Falls, Niagara County, Towns of Lewiston and Niagara and the school districts of Niagara Falls, Lewiston-Porter, and Niagara Wheatfield. The HCRSA is between the individual entities and NYPA, therefore the HCSC is a pass through entity of the NYPA funds with no legal claim to the funds.

Basic Financial Statements Descriptions

The following financial statements present the entire financial position of the HCSC as of and for the period of July 1, 2011 to June 30, 2014:

Balance Sheet - Reports all the assets, liabilities (claims against those assets) and equity (net assets) of the Agency. Changes in net assets may serve as a useful indicator of the HCSC's financial position.

Statement of Revenues, Expenses and Changes in Net Assets - Reports all of the HCSC's revenue, expenses and the net effect of operations on equity. Revenue and expenses are recorded on an accrual basis; that is, they are recorded regardless of whether cash is received or disbursed during the year.

Statement of Cash Flows - Reports beginning cash balances, sources and uses of cash and ending cash balances. For purposes of this statement, cash includes checking and money market accounts and certificates of deposits with maturity of nine (9) months or less.

Auditors' Reports and Notes to the Financial Statements - Independent auditors' opinions of our financial statements, internal control over financial operations and supporting schedules and notes to the above financial statements.

Condensed Financial Statements HCSC reported financial information for 2014 compared to last audit period ending June 30, 2011.

	<u>2014</u>	<u>2011</u>
Current and other assets	\$ 2,415,837	5,434,474
Amounts due member entities and accrued interest	2,371,061	5,389,698
Beginning net assets – unrestricted	44,776	-0-
Add: Revenues	9,033,435	44,776
Change in amounts due member entities	3,018,637	-0-
Less: General administrative expenses	-0-	-0-
Disbursed to member entities	(12,052,072)	-0-
Ending net assets – unrestricted	\$ 44,776	44,776

Host Community Standing Committee (HCSC)

Overall Financial Position and Results of Operations

The HCSC receives annual payments from the New York Power Authority (NYPA) of \$3,000,000 (Greenway Recreation/Tourism Fund) to be used for recreation and tourism related projects for seven member entities. The funds are allocated annually to each entity as follows and outlined in section 4.3 of the HCRSA:

Town of Lewiston	17%
Niagara Falls School District	14%
Lewiston-Porter School District	14%
Niagara-Wheatfield School District	12%
Town of Niagara	13%
City of Niagara Falls	17%
Niagara County	13%

Each entity is responsible for identifying potential projects and making application to the HCSC for funding consideration. Funding is available to support the construction and/or rehabilitation of parks, recreation and related facilities, redefining the Niagara riverfront, promoting tourism, enhancing the environment and advancing the economic revitalization of the Niagara River Greenway within Niagara County, New York. Each member entity is responsible for maintaining accountability of expenditures for project costs. During the three year period July 1, 2011 to June 30, 2014, twenty eight new projects were approved and six existing pre-approved projects received additional fund approval.

Significant Future Conditions and Outlook

The forty four remaining annual payments of \$3,000,000 is \$42,714,262 as of June 30, 2014. Since the HCRSA is between each member entity and NYPA and the HCSC is a pass through sub committee of the Niagara Power Coalition only established to facilitate project review, the annual payments may be made directly to each entity in lieu of the HCSC upon agreement of the member entities so the HCSC does not record the total present value of the annual payments as it has no legal claim to the NYPA funds and recording the amount would have no net asset effect.

CONTACTING The Host Community Standing Committee

This financial report is designed to provide a general overview of the HCSC's finances and to show accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Ms. Cynthia Bianco, Chairperson or Ms. Mary Melloni, Administrative Assistant, Host Community Standing Committee, 630 66th Street, Room 215, Niagara Falls, New York 14304.

BROWN & COMPANY, LLP

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the members of the Host Community Standing Committee
Niagara Falls, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the of the Host Community Standing Committee (HCSC) Niagara Falls, New York as of June 30, 2014 and for the three year period July 1, 2011 to June 30, 2014 and the related notes to the financial statements, which collectively comprise the HCSC's basic financial statements as listed in the table of contents.

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 opinions on these financial statements based on our audit. We conducted our audit 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 opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the HCSC as of June 30, 2014 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages 1 and 2 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the basic 2014 financial statements that collectively comprise the HCSC's financial statements as a whole. The accompanying supplemental schedules on pages 11 to 14 are presented for purposes of additional analysis and are not a required part of the basic 2014 financial statements. The financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic 2014 financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic 2014 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic 2014 financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic 2014 financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated June 17, 2015, on our consideration of the HCSC'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 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 HCSC's internal control over financial reporting and compliance.

Brown & Company, LLP

Niagara Falls, New York
June 17, 2015

HOST COMMUNITY STANDING COMMITTEE

BALANCE SHEET

JUNE 30, 2014

ASSETS

CURRENT ASSETS:

Cash and cash equivalents \$ 2,415,837

LIABILITIES AND NET ASSETS

Due to member entities \$ 2,371,061

UNRESTRICTED NET ASSETS 44,776

\$ 2,415,837

See notes to financial statements.

HOST COMMUNITY STANDING COMMITTEE

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
FOR THE THREE YEAR PERIOD JULY 1, 2011 TO JUNE 30, 2014**

OPERATING REVENUES:

Fees	\$	-
Interest income		33,435

OPERATING EXPENSES:

Administrative expenses		-
Interest disbursed to member entities		<u>33,435</u>

NET INCOME

-

UNRESTRICTED NET ASSETS, BEGINNING OF YEAR

44,776

UNRESTRICTED NET ASSETS, END OF YEAR

\$ 44,776

See notes to financial statements.

HOST COMMUNITY STANDING COMMITTEE

**STATEMENT OF CASH FLOWS
FOR THE THREE YEAR PERIOD JULY 1, 2011 TO JUNE 30, 2014**

CASH FLOWS FROM OPERATING ACTIVITIES:	
Increase/(decrease) in net assets	\$ -
Adjustments to reconcile increase/(decrease) in net assets before capital additions to net cash provided by/(used for) operating activities:	
Changes in assets and liabilities:	
Due to member entities	<u>(3,018,637)</u>
Net cash provided by/(used for) operating activities	<u>(3,018,637)</u>
Cash flows from investing activities:	-
Cash flows from financing activities:	-
Cash and cash equivalents, beginning of period	<u>5,434,474</u>
Cash and cash equivalents, end of period	<u><u>\$ 2,415,837</u></u>

See notes to financial statements.

**HOST COMMUNITY STANDING COMMITTEE
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD JULY 1, 2011 TO JUNE 30, 2014**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization – The Host Community Standing Committee (HCSC) was organized pursuant to the Host Community Relicensing Settlement Agreement dated June 27, 2005 (HCRSA). The HCSC, which effectively began operating April 1, 2008, consists of eight (8) members and administers and oversees projects financed by the Greenway Recreation/Tourism Fund as referenced in section 7 of the HCRSA and has sole responsibility for selecting projects to be financed in whole or in part by the Greenway Recreation/Tourism Fund. Annual payments from the New York Power Authority (NYPA) of \$3,000,000 pursuant to the HCRSA are handled by the HCSC. The eight members of the HCSC are the New York Power Authority (NYPA) and the municipal entities of the City of Niagara Falls, Niagara County, Towns of Lewiston and Niagara and the school districts of Niagara Falls, Lewiston-Porter and Niagara Wheatfield. The HCRSA is between the individual entities and NYPA, therefore the HCSC is a pass through entity of the NYPA funds with no legal claim to the funds and no revenue of its own other than interest.

Financial Reporting Entity – The financial statements of the HCSC have been prepared in conformity with accounting principles generally accepted in the United States of America and consist of one fund.

The HCSC applies all *Government Accounting Standards Board (GASB)* pronouncements, as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements.

Basis of Accounting – The accounts of the HCSC are maintained on the accrual basis of accounting.

Cash and Cash Equivalents – For purposes of the statement of cash flows, the Agency considers all temporary cash investments with a maturity of nine (9) months or less to be cash equivalents. Cash equivalents consist of money market accounts.

Collateral is required for demand deposits and certificates of deposit at 100% of the amount of all deposits not covered by federal deposit insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of New York State and its municipalities. At June 30, 2014 the HCSC did not maintain any uninsured balances.

Use of Estimates – The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. As of June 30, 2014 there were no such estimates.

2. COMMITMENTS AND CONTINGENCIES

Risk of Loss – The HCSC is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, injuries to employees, errors and omissions, natural disasters, etc. The HCSC's members maintain commercial liability insurance to help mitigate the risk of any potential loss, and management has determined that the insurance coverage is sufficient to cover any potential future losses. The HCSC retains accrued interest on its funds for administrative and or legal costs; as of June 30, 2014 it has \$44,776 of such funds on hand.

**HOST COMMUNITY STANDING COMMITTEE
NOTES TO FINANCIAL STATEMENTS
FOR THE PERIOD JULY 1, 2011 TO JUNE 30, 2014**

3. AMOUNTS DUE MEMBER ENTITIES

The HCSC receives annual payments from the New York Power Authority (NYPA) of \$3,000,000 (Greenway Recreation/Tourism Fund) to be used for recreation and tourism related projects for seven member entities. The funds are allocated annually to each entity as follows and outlined in section 4.3 of the HCRSA:

		Annual Amount Due	<u>Accumulated Funds Due</u>	
			<u>June 30, 2014</u>	<u>June 30, 2011</u>
Town of Lewiston	17%	\$ 510,000	\$ 135,804	351,742
Niagara Falls School District	14%	420,000	33,982	1,701,115
Lewiston-Porter School District	14%	420,000	434,443	850,076
Niagara-Wheatfield School District	12%	360,000	360,829	1,458,068
Town of Niagara	13%	390,000	390,362	391,927
City of Niagara Falls	17%	510,000	639,648	271,175
Niagara County	<u>13%</u>	<u>390,000</u>	<u>375,993</u>	<u>365,595</u>
	100%	\$ 3,000,000	\$ 2,371,061	5,389,698

Each entity is responsible for identifying potential projects and making application to the HCSC for funding consideration. Funding is available to support the construction and/or rehabilitation of parks, recreation and related facilities, redefining the Niagara riverfront, promoting tourism, enhancing the environment and advancing the economic revitalization of the Niagara River Greenway within Niagara County, New York. The HCSC is a pass through entity with funds being the legal claim of each member entity with responsibility for maintaining accountability of expenditures for project costs.

The annual payments from NYPA and accumulated interest not withdrawn and distributed are shown as a liability since they belong to the member entities. The HCSC has no revenue of its own other than interest. The annual payments from NYPA originally was for fifty years and had a net present value of \$48,538,934 as of 2007; the forty four remaining annual payments of \$3,000,000 is \$42,714,262 as of June 30, 2014. The net present value of these payments is not recorded on the financial statements as it would have no net effect on net assets as they are pass thru funds due to member entities upon project approval.

5. SUBSEQUENT EVENTS

Management has evaluated subsequent events through June 17, 2014, the date the financial statements were available to be issued.

BROWN & COMPANY, LLP

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 Members of the Host Community Standing Committee
Niagara Falls, New York

We have audited the financial statements of the Host Community Standing Committee (HCSC), for the three year period July 1, 2011-June 30, 2014, and have issued our report thereon dated June 17, 2014. We conducted our audit 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the HCSC's internal control over financial reporting as a basis for designing our auditing procedures 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 HCSC's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

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.

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 over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the HCSC's financial statements are free of 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*.

This report is intended solely for the information and use of the Member Entities of the HCSC and is not intended to be and should not be used by anyone other than these 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	TOWN OF LEWISTON	NF SCHOOL DISTRICT	LEW-POR T SCHOOL	N. WHEAT SCHOOL	TOWN OF NIAGARA	CITY OF N. FALLS	NIAGARA COUNTY	ACTIVITY TOTAL	TOTAL BANK BALANCES
	822-82617-8	822-67019-4	822-67106-9	822-67135-2	822-67174-3	822-67257-0	822-67342-8	822-67435-1		
6/30/11	\$ 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	3,000,000.00	-	-	-	-	-	-	-	3,000,000.00	8,434,473.73
7/31/11	-	44.81	361.20	180.50	309.59	49.93	34.55	46.58	1,027.16	8,435,500.89
8/4/11	-	-	-	-	-	(391,000.00)	-	-	(391,000.00)	8,044,500.89
8/26/11	-	(15,000.00)	-	-	-	-	-	-	(15,000.00)	8,029,500.89
8/26/11	-	(25,000.00)	-	-	-	-	-	-	(25,000.00)	8,004,500.89
8/26/11	-	(300,000.00)	-	-	-	-	-	-	(300,000.00)	7,704,500.89
8/31/11	-	36.43	463.83	231.78	397.56	4.94	34.55	46.58	1,215.67	7,705,716.56
9/30/11	-	1.46	489.60	244.66	419.65	0.12	33.44	45.08	1,234.01	7,706,950.57
10/14/11	(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	-	90.70	578.56	325.38	495.90	28.97	149.34	149.98	1,818.83	7,708,769.40
11/28/11	-	-	-	-	-	-	-	(52,644.00)	(52,644.00)	7,656,125.40
11/30/11	-	142.99	581.65	348.24	498.55	48.21	214.09	205.79	2,039.52	7,658,164.92
12/1/11	-	(15,000.00)	-	-	-	-	-	-	(15,000.00)	7,643,164.92
12/1/11	-	(134,000.00)	-	-	-	-	-	-	(134,000.00)	7,509,164.92
12/31/11	-	47.53	541.08	323.95	463.77	49.82	199.16	179.23	1,804.54	7,510,969.46
1/25/12	-	-	-	-	-	(391,000.00)	-	-	(391,000.00)	7,119,969.46
1/31/12	-	47.53	541.22	324.03	463.89	38.58	199.21	179.28	1,793.74	7,121,763.20
2/29/12	-	44.47	506.43	303.20	434.07	0.02	186.40	167.76	1,642.35	7,123,405.55
3/31/12	-	47.54	541.48	324.19	464.12	0.02	199.31	179.37	1,756.03	7,125,161.58
4/30/12	-	46.02	524.15	313.81	449.26	0.02	192.93	173.63	1,699.82	7,126,861.40
5/18/12	-	27.61	314.57	188.33	269.62	0.01	115.78	104.20	1,020.12	7,127,881.52
5/23/12	-	-	(840,000.00)	-	-	-	-	-	(840,000.00)	6,287,881.52
5/31/12	-	14.32	195.19	49.05	167.30	-	48.25	43.42	517.53	6,288,399.05
6/14/12	-	-	-	-	-	-	-	(244,000.00)	(244,000.00)	6,044,399.05
6/14/12	-	-	-	-	-	-	-	(151,697.00)	(151,697.00)	5,892,702.05
6/29/12	-	(45,000.00)	-	-	-	-	-	-	(45,000.00)	5,847,702.05
6/29/12	3,000,000.00	-	-	-	-	-	-	-	3,000,000.00	8,847,702.05
6/30/12	-	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	

HOST COMMUNITY STANDING COMMITTEE (HCSC)

BANK ACTIVITY

JULY 1, 2012 TO JUNE 30, 2013

DATE	HCSC	MAIN A/C	TOWN OF LEWISTON	NF SCHOOL DISTRICT	LEW-POR T SCHOOL	N. WHEAT SCHOOL	TOWN OF NIAGARA	CITY OF N. FALLS	NIAGARA COUNTY	ACTIVITY TOTAL	TOTAL BANK BALANCES
	822-82617-8	822-67019-4	822-67106-9	822-67135-2	822-67174-3	822-67257-0	822-67342-8	822-67435-1			
6/30/12 BALANCE	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
7/31/12 INTEREST	-	43.19	373.01	56.99	319.72	0.02	102.96	40.62	936.51		8,849,653.05
8/9/12 WITHDRAW GRIFFON PARK	-	-	-	-	-	-	(200,000.00)	-	(200,000.00)		8,649,653.05
8/9/12 WITHDRAW HYDE PARK COMFORT ST.	-	-	-	-	-	-	(200,000.00)	-	(200,000.00)		8,449,653.05
8/9/12 WITHDRAW LASALLE WATERFRONT PARK	-	-	-	-	-	-	(365,000.00)	-	(365,000.00)		8,084,653.05
8/9/12 WITHDRAW MOUTH OF LOW. NIAG RIVER	-	-	-	-	-	-	-	(29,000.00)	(29,000.00)		8,055,653.05
8/9/12 WITHDRAW KIDDLAND PROJECT	-	-	-	-	-	-	-	(66,000.00)	(66,000.00)		7,989,653.05
8/31/12 INTEREST	-	41.84	361.41	55.22	309.78	0.02	27.44	30.37	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	-		7,990,479.13
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	-	-	-	(420,000.00)	(2,185,213.62)	-	-	-	(2,185,213.62)		5,113,952.98
3/9/13 WITHDRAW L.P RECREATION COMPLEX	-	-	-	-	-	-	-	-	(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	-	29.95	40.54	27.50	442.66		4,332,931.82
7/1/12-6/30/13	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

HOST COMMUNITY STANDING COMMITTEE (HCSC)

BANK ACTIVITY

JULY 1, 2013 TO JUNE 30, 2014

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
6/30/13 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 LP RECREATION COMPLEX	-	-	-	-	-	-	-	-	(420,000.00)	6,912,931.82
7/31/13 INTEREST	-	20.99	346.02	3.68	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	35.92	647.34	6,914,046.61
9/9/13 WITHDRAW	-	-	-	-	-	(390,487.00)	-	-	(390,487.00)	6,523,559.61
9/30/13 INTEREST	-	63.04	378.65	36.87	30.63	42.76	132.33	45.96	730.24	6,524,289.85
10/31/13 INTEREST	-	63.05	378.70	36.88	30.63	33.14	132.34	45.96	720.70	6,525,010.55
11/6/13 WITHDRAW JOSEPH DAVIS PARK	-	(450,000.00)	-	-	-	-	-	-	(450,000.00)	6,075,010.55
11/30/13 INTEREST	-	29.39	354.31	34.50	28.66	31.00	123.82	43.00	644.68	6,075,655.23
12/17/13 WITHDRAW OLCOTT BEACH ENHANCEMENT	-	-	-	-	-	-	-	(125,000.00)	(125,000.00)	5,950,655.23
12/17/13 WITHDRAW TUSCARORA MONUMENT	-	-	-	-	-	-	-	(15,000.00)	(15,000.00)	5,935,655.23
12/31/13 INTEREST	-	25.63	391.01	38.07	31.62	34.21	136.65	41.70	698.89	5,936,354.12
1/3/14 WITHDRAW ACADEMY PARK ICE RINK	-	(156,640.00)	-	-	-	-	-	-	(156,640.00)	5,779,714.12
1/31/14 INTEREST	-	12.39	378.84	36.89	30.64	33.14	132.39	34.08	658.37	5,780,372.49
2/7/14 WITHDRAW RECREATION FACILITY	-	-	(2,940,000.00)	-	-	-	-	-	(2,940,000.00)	2,840,372.49
2/29/14 INTEREST	-	10.42	73.53	33.32	27.67	29.94	119.59	30.79	325.26	2,840,697.75
3/7/14 WITHDRAW DAY ROAD PARK	-	-	-	-	-	-	-	(25,400.00)	(25,400.00)	2,815,297.75
3/31/14 INTEREST	-	6.14	0.29	19.64	16.31	17.64	91.13	17.27	168.42	2,815,466.17
4/30/14 INTEREST	-	5.58	0.28	17.85	14.83	16.04	85.44	15.45	155.47	2,815,621.64
5/5/14 WITHDRAW GRIFFON PARK	-	-	-	-	-	-	(200,000.00)	-	(200,000.00)	2,615,621.64
5/31/14 INTEREST	-	5.58	0.28	17.85	14.83	16.04	41.30	15.45	111.33	2,615,732.97
6/16/14 WITHDRAW OLD STONE CHIMNEY	-	-	-	-	-	-	(200,000.00)	-	(200,000.00)	2,415,732.97
6/30/14 INTEREST	-	5.77	0.29	18.45	15.32	16.58	31.55	15.97	103.93	2,415,836.90
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	375,992.72	2,415,836.90	2,415,836.90

HOST COMMUNITY STANDING COMMITTEE (HCSC)

BANK ACTIVITY

JULY 1, 2013 TO JUNE 30, 2014

DATE	HCSC MAIN A/C	TOWN OF LEWISTON	NF SCHOOL DISTRICT	LEW-POR T SCHOOL	N. WHEAT SCHOOL	TOWN OF NIAGARA	CITY OF N. FALLS	NIAGARA COUNTY	ACTIVITY TOTAL	TOTAL BANK BALANCES
	822-82617-8	822-67019-4	822-67106-9	822-67135-2	822-67174-3	822-67257-0	822-67342-8	822-67435-1		
6/30/13	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	3,000,000.00	-	-	(420,000.00)	-	-	-	-	3,000,000.00	7,332,931.82
7/2/13	-	-	-	346.02	3.68	35.31	-	-	(420,000.00)	6,912,931.82
7/31/13	-	20.99	420,000.00	420,000.00	0.01	390,000.00	47.78	13.66	467.45	6,913,399.27
8/9/13	(3,000,000.00)	510,000.00	420,000.00	26.20	21.73	390,000.00	510,000.00	390,000.00	-	6,913,399.27
8/31/13	-	49.82	352.58	-	-	55.61	105.48	35.92	647.34	6,914,046.61
9/9/13	-	-	-	-	-	(390,487.00)	-	-	(390,487.00)	6,523,559.61
9/30/13	-	63.04	378.65	36.87	30.63	42.76	132.33	45.96	730.24	6,524,289.85
10/31/13	-	63.05	378.70	36.88	30.63	33.14	132.34	45.96	720.70	6,525,010.55
11/6/13	-	(450,000.00)	-	-	-	-	-	-	(450,000.00)	6,075,010.55
11/30/13	-	29.39	354.31	34.50	28.66	31.00	123.82	43.00	644.68	6,075,655.23
12/17/13	-	-	-	-	-	-	-	(125,000.00)	(125,000.00)	5,950,655.23
12/17/13	-	25.63	391.01	38.07	31.62	34.21	136.65	41.70	698.89	5,935,655.23
12/31/13	-	(156,640.00)	-	-	-	-	-	-	(156,640.00)	5,936,354.12
1/3/14	-	12.39	378.84	36.89	30.64	33.14	132.39	34.08	658.37	5,779,714.12
1/31/14	-	-	(2,940,000.00)	-	-	-	-	-	(2,940,000.00)	5,780,372.49
2/7/14	-	10.42	73.53	33.32	27.67	29.94	119.59	30.79	325.26	2,840,372.49
2/29/14	-	-	-	-	-	-	-	-	-	2,840,697.75
3/7/14	-	-	-	-	-	-	-	(25,400.00)	(25,400.00)	2,815,297.75
3/31/14	-	6.14	0.29	19.64	16.31	17.64	91.13	17.27	168.42	2,815,466.17
4/30/14	-	5.58	0.28	17.85	14.83	16.04	85.44	15.45	155.47	2,815,621.64
5/5/14	-	-	-	-	-	-	(200,000.00)	-	(200,000.00)	2,615,621.64
5/31/14	-	5.58	0.28	17.85	14.83	16.04	41.30	15.45	111.33	2,615,732.97
6/16/14	-	-	-	-	-	-	(200,000.00)	-	(200,000.00)	2,415,732.97
6/30/14	-	5.77	0.29	18.45	15.32	16.58	31.55	15.97	103.93	2,415,836.90
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	375,992.72	2,415,836.90	