

**HOST COMMUNITY GREENWAY FUND
STANDING COMMITTEE**

**REPORT ON APPLYING
AGREED-UPON PROCEDURES
IN ACCORDANCE WITH THE
HOST COMMUNITY RELICENSING
SETTLEMENT AGREEMENT**

For the period July 1, 2014 Through June 30, 2017

**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

Members

Host Community Greenway Fund Standing Committee
Niagara Power Coalition, Inc.
New York Power Authority

We have performed the procedures enumerated below, which were agreed to by members of management of the Host Community Greenway Fund Standing Committee (HCSC), solely to assist you in evaluating whether projects for the three year period July 1, 2014 through June 30, 2017 were approved and funded in accordance with the requirements of the Host Community Relicensing Settlement Agreement (HCRSA) dated June 27, 2005, and the Standing Committee Protocol, approved May 28, 2008. HCSC is responsible for its accounting records. The sufficiency of these procedures is solely the responsibility of the parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

- a. We obtained the meeting minutes for HCSC for the period July 1, 2014 through June 30, 2017 and reviewed them for content.

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

- b. We reviewed disbursements for the period for administrative expenses, which must be paid from accrued interest of the Host Community Greenway Fund (the Fund) in accordance with section 7.4 of the HCRSA. One bank fee was charged during the period and amounted to less than accrued interest earned on the account.

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

- c. We reviewed the annual reports filed with the New York Power Authority (NYPA) for the applicable periods to determine whether the reports complied with the requirements of section 7.5 of the HCRSA. There was no report filed with NYPA for the fiscal year ended June 30, 2015. For June 30, 2016, the report was filed September 28, 2016, which is not within the required sixty days following the close of the fiscal year. Similarly, the report for June 30, 2017 was not filed until October 3, 2017.

For each of the annual reports filed, we reviewed the content to determine whether it included a summary of all active projects funded, in whole or in part, by the Fund; a project-by-project listing of all expenditures from the Fund during the previous fiscal year; a detailed listing of all planned expenditures during the current fiscal year in which the report was issued; an updated balance sheet for the Fund which includes Fund expenditures, administrative expenses, and accrued interest; and a summary of significant correspondence, if any with the Niagara River Greenway Commission (the Commission).

No exceptions were found as a result of applying these procedures for the years ended June 30, 2016 and June 30, 2017. As noted previously, no reports were filed for the year ended June 30, 2015.

- d. We reviewed the receipt of \$3,000,000 annually from NYPA and the subsequent allocations to the host communities. In accordance with section 7.2 of the HCRSA, NYPA should make an annual payment of \$3,000,000 on or before July 1 of each year. In accordance with the Standing Committee Protocol, the funds should be transferred to the host communities' individual accounts 'as soon as practical' after deposit, with an allocation in accordance with the by-laws of the Niagara Power Coalition, Inc. (the Coalition). We found that all deposits were made on or before July 1 annually, that all transfers occurred on July 1 of each year, and the allocations were in accordance with the Coalition's by-laws.

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

- e. We randomly selected ten of thirty-six project files and reviewed them for content. In accordance with section 7.3 of the HCRSA, project proposals must provide documentation evidencing consultation with the Commission and setting forth an operations and maintenance plan for each project. The Standing Committee Protocol defines qualifying project costs to include costs associated with planning and development of approved projects; personnel costs directly associated with planning, development, and implementation of approved projects; costs associated with approved construction and/or rehabilitation of the projects; and operating and maintenance costs, including but not limited to project-related and HCSC administrative costs, on a case-by-case basis for approved projects. The Standing Committee Protocol *Consistency Determination* requires a minimum of five members of the Committee to deem a project consistent with the Niagara River Greenway Plan and therefore eligible for selection and funding. The Standing Committee Protocol *Release of Funds* requires that funds be released from the relevant host community's account within thirty days of approval, selection, and funding, and that the host community sponsor provide a signature denoting acceptance of the release of funds.

For three projects, the documentation supporting the host community sponsor's release of funds was missing from the file. In one instance, the funds were not disbursed within thirty days of approval, selection, and funding. For one project, although there was documentation to support consultation with the Commission, there was no proof of such consultation.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the specified elements of this report. Accordingly, we do not express such an opinion or conclusion. 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 the information and use of the Board of Directors and management of the Host Community Greenway Fund Standing Committee, Niagara Power Coalition, Inc., and New York Power Authority, and is not intended to be and should not be used by anyone other than those specified parties.



March 27, 2018