



**Erie County Industrial Development Agency  
ECIDA Board Meeting  
March 25, 2026  
At 12:00 p.m.  
ECIDA Offices  
95 Perry Street, 4<sup>th</sup> Floor Conference Room  
Buffalo, New York 14203**

**1.0 Call to Order**

- 1.1 Call to Order Meeting of the Membership

**2.0 Approval of Minutes:**

- 2.1 Approval of Minutes of February 25, 2026 Meeting of the Membership (Action Item) (Pages 2-10)

**3.0 Inducement Resolution(s):**

| <b>ECIDA<br/>Incentives</b> | <b>Private<br/>Investment</b> | <b>Municipality</b> |
|-----------------------------|-------------------------------|---------------------|
|-----------------------------|-------------------------------|---------------------|

- 3.1 (None)

**4.0 Reports / Action Items / Information Items:**

- 4.1 Financial Report (Informational) (Pages 11-14)
- 4.2 Finance & Audit Committee Update (Informational) (Pages 15-16)
  - a) Committee Self-Evaluation (Informational) (Pages 22)
- 4.3 2025 - Audited Financial Statements (Action Item) (Pages 23-50)
- 4.4 2025 – Investment Report (Action Item) (Pages 51-53)
- 4.5 Governance Committee Update (Informational) (Pages 54-55)
  - a) Committee Self-Evaluation (Informational) (Pages 56-59)
  - b) Board of Directors Evaluation/Survey (Informational) (Page 60-62)
- 4.6 2026 Tax Incentives Induced (Informational) (Page 63)
- 4.7 Approval of Board Certification of Loan Administration Plan-CARES ACT RLF (Action Item) (Pages 64-67)

**5.0 Annual Reports & Policies (Action Items) (Separate Package)**

- a 2025 - ECIDA Mission Statement & Performance Measurements with Results (Pages 2-17)
- b. 2026 - ECIDA Mission Statement & Performance Measurements with Goals (Pages 18-26)
- c. 2025 - Public Authorities Report (Pages 27-97)
- d. Fee Structure Policy (For ECIDA & ILDC Only) (Amendment) (Page 98)
- e. Investment and Deposit Policy (re-Adopt) (Pages 99-106)
- f. Procurement Policy (Re-Adopt) (Pages 107-111)
- g. Property Disposition Guidelines (Re-Adopt) (Pages 112-118)

**6.0 Management Team Reports:**

- 6.1 2025 Year in Review

**7.0 Adjournment- Next Meeting - April 22, 2026 (Annual Meeting)**

**MINUTES OF THE MEETING  
OF THE  
MEMBERSHIP OF THE  
ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY  
(ECIDA or AGENCY)**

**DATE AND PLACE:** February 25, 2026, at the Erie County Industrial Development Agency, 95 Perry Street, 4<sup>th</sup> Floor Conference Room, Buffalo, New York 14203

**PRESENT:** Dr. LaVonne Ansari, Rev. Mark Blue, Grace Bogdanove, Hon. Joseph Emminger, Dottie Gallagher, Lorry Goldhawk, Gregory Inglut, Tyra Johnson, Hon. Shawn Lavin, Brenda McDuffie, Glenn Nellis, Hon. Brian Nowak, Hon. Mark Poloncarz, Hon. Sean Ryan, Kenneth Schoetz and Hon. Taisha St. Jean Tard

**EXCUSED:** Hon. Joel Feroletto

**OTHERS PRESENT:** John Cappellino, President & CEO; Mollie Profic, Chief Financial Officer; Beth O'Keefe, Vice President of Operations; Jerry Manhard, Chief Lending Officer; Grant Lesswing, Director of Business Development; Carrie Hocieniec, Operations Assistant/Assistant Secretary; Brian Krygier, Director of Information Technology; Noah Cliff, Business Development Officer; Atiqa Abidi, Accounting Manager; Lori Szewczyk, Director of Grants; Soma Hawramee, Compliance Portfolio Manager and Robert Murray, Esq., General Counsel/Harris Beach Murtha

**GUESTS:** Zaque Evans on behalf of Erie County; Thomas Baines on behalf of the City of Buffalo, Erik Ekman and Lindsay Munchauer on behalf of McGuire Development; Jeff Hayes and Mindy Hayes on behalf of Hayes Construction/North Eastern Alliance; Brianne Zhang and Tom Celik on behalf of VisoneCo Site Development; Brandon Cottrell, Zach Dewey and Patrick Fitzgerald on behalf of Hodgson Russ LLP; and Ryan Rich on behalf of 24-Ventures

There being a quorum present at 12:03 p.m., the meeting of the members of the Erie County Industrial Development Agency (the "ECIDA" or "Agency"), was called to order by Chair McDuffie.

Ms. McDuffie welcomed new ECIDA board member, Shawn Lavin, Town of Amherst Supervisor.

At this point in time, Rev. Blue joined the meeting.

Ms. McDuffie noted the recent passing of board member, Jonathan Dandes, and asked for a moment of silence in his memory.

## MINUTES

The minutes of the January 28, 2026, meeting of the members were presented. Ms. St. Jean Tard moved, and Rev. Blue seconded to approve of the minutes. Ms. McDuffie called for the vote, and the minutes were unanimously approved.

Policy Committee Update. Mr. Cappellino updated members of the most recent meeting of the Policy Committee, including the Committee's recommendation of Hamlin House and North Eastern Alliance projects for approval. Also, the staff presented a review and presentation of the Agency's Adaptive Reuse Policy to the Committee.

Adaptive Reuse Policy. Mr. Cappellino reviewed the Agency's Adaptive Reuse Policy including Addendum #1, entitled "Applicability of the Adaptive Reuse Policy to an Adaptive Reuse Project consisting of or containing an element of, for rent residential housing".

At this point in time, Mr. Ryan joined the meeting.

Ms. McDuffie welcomed new ECIDA board member, Sean Ryan, Mayor of the City of Buffalo.

## INDUCEMENT RESOLUTIONS:

Swan & Pearl, LLC, 110 Pearl Street (The Dun Building), Buffalo, New York. Ms. O'Keefe reviewed this proposed sales and use tax and mortgage recording tax benefits project involving the adaptive reuse of the historic Dun Building by converting floors 2-10 into 36 apartments with commercial space planned for the first floor and an existing restaurant tenant will remain at the basement level.

Ms. O'Keefe confirmed that the Company is seeking approximately \$505,187.00 in assistance including sales tax exemption and mortgage recording tax exemption. Total payroll is projected at \$10,107,794.00 for the direct and indirect jobs created including 48 construction jobs.

The project's cost benefit ratio was presented to and reviewed by the members and the costs of incentives so applied for, the anticipated new tax revenues to be generated by the Project, as well as the Project's contemplated community benefits were discussed and considered.

Ms. McDuffie noted this project was previously tabled at a prior ECIDA board meeting and asked for a motion and a second to remove this item from the table. Upon motion made by Mr. Poloncarz and second by Ms. Gallagher to remove the Project from the table. Ms. McDuffie called for the vote, and the motion was unanimously approved.

Ms. St. Jean Tard queried if the company could make one of the affordable units a 2-BR unit.

Mr. Eckman, speaking on behalf of the Company, noted that the project is very challenging and changing a 2-BR unit to an AMI unit is difficult.

As a condition precedent of receiving Financial Assistance, and as a material term or condition as approved by the Agency in connection with the Project, the Company covenants and agrees and understands that it must, subject to potential modification, termination and/or recapture of Financial Assistance for failure to meet and maintain the commitments and thresholds as described below, through the conclusion of the later of two (2) years following either (x) the construction completion date, or (y) the termination of the Agent Agreement, a certification, as so required by the Agency, confirming:

- (i) Investment Commitment- the total investment actually made with respect to the Project at the time of Project completion equals or exceeds \$12,061,602 (which represents the product of 85% multiplied by \$14,190,120, being the total project cost as stated in the Company's application for Financial Assistance).
- (ii) Employment Commitment – that there are 3 existing full time equivalent (“FTE”) and 10 existing part time equivalent (“PTE”) employees located at, or to be located at, the Facility as stated in the Company's application for Financial Assistance (the “Baseline FTE”); and
  - the number of current FTE and PTE employees in the then current year at the Facility; and
  - that within two (2) years of Project completion, the Company has maintained and created FTE employment at the Facility equal to 9 FTE employees [representing the sum of (x) 3 Baseline FTE and 10 Baseline PTE (being the equivalent of 5 FTE employees) and (y) 1 FTE employee, being the product of 85% multiplied by 1.5 FTE (being the 3 new PTE employee positions proposed to be created by the Company as stated in its Application)].

To confirm and verify the Company's employment numbers, the Agency requires that, at a minimum, the Company provide employment data to the Agency on a quarterly basis, said information to be provided on the Agency's “Quarterly Employment Survey” form to be made available to the Company by the Agency.

- (iii) Local Labor Commitment - that the Company adheres to and complies with the Agency's Local Labor Workforce Certification Policy on a quarterly basis during the construction period.
- (iv) Equal Pay Commitment – that the Company adheres to and complies with the Agency's Pay Equity Policy.
- (v) Unpaid Real Property Tax Policy Commitment – that the Company is compliant with the Agency's Unpaid Real Property Tax Policy.

- (vi) Affordable Housing Unit Commitment – that the Project includes a minimum of four (4) housing units, consisting of three (3) studio units and one (1) one-bedroom unit offered at 80% AMI.

Mr. Poloncarz moved to approve of the project noting the City of Buffalo’s need for additional housing and residents, and commending the applicant for undertaking a challenging project, particularly given the difficulty of converting older housing stock and buildings to productive use. Ms. Gallagher seconded to approve the Project as proposed. Ms. McDuffie then called for the vote and the following resolution was unanimously approved with Mr. Nowak abstaining:

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY: (i) ACCEPTING THE APPLICATION OF SWAN AND PEARL, LLC, AND/OR INDIVIDUAL(S) OR AFFILIATE(S), SUBSIDIARY(IES), OR ENTITY(IES) FORMED OR TO BE FORMED ON ITS BEHALF (INDIVIDUALLY, AND/OR COLLECTIVELY, THE “COMPANY”) IN CONNECTION WITH A CERTAIN PROJECT DESCRIBED BELOW; (ii) RATIFYING THE SCHEDULING, NOTICING, AND CONDUCTING OF A PUBLIC HEARING IN CONNECTION WITH THE PROJECT; (iii) MAKING A DETERMINATION PURSUANT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT; (iv) APPOINTING THE COMPANY, OR ITS DESIGNEE, AS ITS AGENT TO UNDERTAKE THE PROJECT; (v) AUTHORIZING THE UNDERTAKING OF THE PROJECT TO PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF (A) A SALES TAX EXEMPTION BENEFIT FOR PURCHASES AND RENTALS RELATED TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT, AND (B) A MORTGAGE RECORDING TAX EXEMPTION BENEFIT FOR FINANCING RELATED TO THE PROJECT; AND (vi) AUTHORIZING THE NEGOTIATION AND EXECUTION OF A LEASE AGREEMENT, LEASEBACK AGREEMENT, AN AGENT AND FINANCIAL ASSISTANCE PROJECT AGREEMENT, AND RELATED DOCUMENTS

432 Franklin LLC / VisoneCo Site Development, LLC, 432 Franklin Street, Buffalo, New York. Ms. O’Keefe reviewed this proposed sales and use tax project involving the acquisition and construction of 13 apartment units and 3,068 SF of commercial space.

Ms. O’Keefe confirmed that the Company is seeking approximately \$96,250.00 in sales tax exemption assistance. Total payroll is projected at \$2,834,641.00 for the direct and indirect jobs created including 12 construction jobs.

The project’s cost benefit ratio was presented to and reviewed by the members and the costs of incentives so applied for, the anticipated new tax revenues to be generated by the Project, as well as the Project’s contemplated community benefits were discussed and considered.

General discussion ensued.

As a condition precedent of receiving Financial Assistance, and as a material term or condition as approved by the Agency in connection with the Project, the Company covenants and agrees and understands that it must, subject to potential modification, termination and/or recapture of Financial Assistance for failure to meet and maintain the commitments and thresholds as described below, through the conclusion of the later of two (2) years following either (x) the construction completion date, or (y) the termination of the Agent Agreement, a certification, as so required by the Agency, confirming:

- (i) Investment Commitment- the total investment actually made with respect to the Project at the time of Project completion equals or exceeds \$2,904,288 (which represents the product of 85% multiplied by \$3,416,810, being the total project cost as stated in the Company’s application for Financial Assistance).
- (ii) Employment Commitment – that there is at least 1 part time equivalent (“PTE”) employee located at, or to be located at, the Facility as stated in the Company’s application for Financial Assistance (the “Baseline FTE”); and
  - the number of current FTE employees in the then current year at the Facility; and
  - that within two (2) years of Project completion, the Company has maintained and created PTE employment at the Facility equal to 1 PTE employee. To confirm and verify the Company’s employment numbers, the Agency requires that, at a minimum, the Company provide employment data to the Agency on a quarterly basis, said information to be provided on the Agency’s “Quarterly Employment Survey” form to be made available to the Company by the Agency.
- (iii) Local Labor Commitment - that the Company adheres to and complies with the Agency’s Local Labor Workforce Certification Policy on a quarterly basis during the construction period.
- (iv) Equal Pay Commitment – that the Company adheres to and complies with the Agency’s Pay Equity Policy.
- (v) Unpaid Real Property Tax Policy Commitment – that the Company is compliant with the Agency’s Unpaid Real Property Tax Policy.
- (vi) Affordable Housing Unit Commitment – that the Project includes a minimum of two housing units affordable at 80% AMI.

Ms. St. Jean Tard moved and Mr. Nowark seconded to approve the Project as proposed. Ms. McDuffie then called for the vote and the following resolution was unanimously approved:

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY: (i) ACCEPTING THE APPLICATION OF VISONECO SITE DEVELOPMENT, LLC, AND/OR INDIVIDUAL(S) OR AFFILIATE(S),

SUBSIDIARY(IES), OR ENTITY(IES) FORMED OR TO BE FORMED ON ITS BEHALF (INDIVIDUALLY, AND/OR COLLECTIVELY, THE "COMPANY") IN CONNECTION WITH A CERTAIN PROJECT DESCRIBED BELOW; (ii) RATIFYING THE SCHEDULING, NOTICING, AND CONDUCTING OF A PUBLIC HEARING IN CONNECTION WITH THE PROJECT; (iii) MAKING A DETERMINATION PURSUANT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT; (iv) APPOINTING THE COMPANY, OR ITS DESIGNEE, AS ITS AGENT TO UNDERTAKE THE PROJECT; (v) AUTHORIZING THE UNDERTAKING OF THE PROJECT TO PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF A SALES TAX EXEMPTION BENEFIT FOR PURCHASES AND RENTALS RELATED TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT, AND (vi) AUTHORIZING THE NEGOTIATION AND EXECUTION OF A LEASE AGREEMENT, LEASEBACK AGREEMENT, AN AGENT AND FINANCIAL ASSISTANCE PROJECT AGREEMENT, AND RELATED DOCUMENTS

11580 Walden Ave LLC / North Eastern Alliance Redevelopment, 11580 Walden Avenue, Alden, New York. Ms. O'Keefe reviewed this proposed sales and use tax, mortgage recording tax and real property tax abatement benefits project involving the construction and equipping of a one-story 57,933 SF cannabis cultivation, processing and distribution facility on approximately 5 acres of land and will be leased by 11580 Walden Ave LLC.

Ms. O'Keefe confirmed that the Company is seeking approximately \$3,806,618.00 in assistance including sales tax exemption, mortgage tax exemption and real property tax exemption. Total payroll is projected at \$103,333,143.00 which includes the direct and indirect jobs for both the temporary and ongoing positions over the life of the PILOT. Created jobs include 129 construction jobs.

The project's cost benefit ratio was presented to and reviewed by the members and the costs of incentives so applied for, the anticipated new tax revenues to be generated by the Project, as well as the Project's contemplated community benefits were discussed and considered.

General discussion ensued regarding power needs and usage.

Mr. Schoetz queried if the Town is in favor of the project. Agency staff confirmed that the Town Supervisor and a board member attended the public hearing and spoke in favor of the project.

Mr. Poloncarz spoke in favor of the project and the establishment of new real property taxes and new jobs.

As a condition precedent of receiving Financial Assistance, and as a material term or condition as approved by the Agency in connection with the Project, the Company covenants and agrees and understands that it must, subject to potential modification, termination and/or recapture of Financial Assistance for failure to meet and maintain the commitments and thresholds as

described below, submit, on an annual basis or as otherwise indicated below through the termination of the PILOT Agreement, a certification, as so required by the Agency, confirming:

- (i) Investment Commitment- the total investment made with respect to the Project at the time of Project completion equals or exceeds \$28,108,049 (which represents the product of 85% multiplied by \$33,068,293, being the total project cost as stated in the Company's application for Financial Assistance).
- (ii) Employment Commitment – that there are at least 0 existing full time equivalent (“FTE”) employees located at, or to be located at, the Facility as stated in the Company's application for Financial Assistance (the “Baseline FTE”); and
  - the number of current FTE employees in the then current year at the Facility; and
  - that within two (2) years of Project completion, the Company has maintained and created FTE employment at the Facility equal to 72 FTE employees [representing the sum of (x) 0 Baseline FTE and (y) 72 FTE employees, being the product of 85% multiplied by 85 (being the 85 new FTE employee positions proposed to be created by the Company as stated in its Application)]. In an effort to confirm and verify the Company's employment numbers, the Agency requires that, at a minimum, the Company provide employment data to the Agency on a quarterly basis, said information to be provided on the Agency's “Quarterly Employment Survey” form to be made available to the Company by the Agency.
- (iii) Local Labor Commitment - that the Company adheres to and complies with the Agency's Local Labor Workforce Certification Policy on a quarterly basis during the construction period.
- (iv) Equal Pay Commitment – that the Company adheres to and complies with the Agency's Pay Equity Policy.
- (v) Unpaid Real Property Tax Policy Commitment – that the Company is compliant with the Agency's Unpaid Real Property Tax Policy.
- (vi) Construction Period Commitment – that the Company, in accordance with the EIP Policy, meets a 30% MWBE (25% MBE and 5% WBE) utilization rate, based upon total construction contract value, for construction activities.
- (vii) Post Construction Period Commitment – that the Company meets a 30% minority and women (minimum 20% minority and at least 30% minorities or women) job creation requirement within two years after Project completion and maintains those hires/percentages during the term of the applicable PILOT Agreement and on an annual basis completes/implements at least two (2) of the EIP Policy Best Practices as described therein during the term of the applicable PILOT Agreement.

Mr. Poloncarz moved and Rev. Blue seconded to approve the Project as proposed. Ms. McDuffie then called for the vote and the following resolution was unanimously approved with Mr. Ryan abstaining:

RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY: (i) ACCEPTING THE APPLICATION OF 11580 WALDEN AVE LLC, AND/OR INDIVIDUAL(S) OR AFFILIATE(S), SUBSIDIARY(IES), OR ENTITY(IES) FORMED OR TO BE FORMED ON ITS BEHALF (INDIVIDUALLY, AND/OR COLLECTIVELY, THE "COMPANY") IN CONNECTION WITH A CERTAIN PROJECT DESCRIBED BELOW; (ii) RATIFYING THE SCHEDULING, NOTICING, AND CONDUCTING OF A PUBLIC HEARING IN CONNECTION WITH THE PROJECT; (iii) MAKING A DETERMINATION PURSUANT TO THE STATE ENVIRONMENTAL QUALITY REVIEW ACT; (iv) APPOINTING THE COMPANY, OR ITS DESIGNEE, AS ITS AGENT TO UNDERTAKE THE PROJECT; (v) AUTHORIZING THE UNDERTAKING OF THE PROJECT TO PROVIDE FINANCIAL ASSISTANCE TO THE COMPANY IN THE FORM OF (A) A SALES TAX EXEMPTION BENEFIT FOR PURCHASES AND RENTALS RELATED TO THE ACQUISITION, CONSTRUCTION AND EQUIPPING OF THE PROJECT, (B) A MORTGAGE RECORDING TAX EXEMPTION BENEFIT FOR FINANCING RELATED TO THE PROJECT, AND (C) A PARTIAL ABATEMENT FROM REAL PROPERTY TAXES BENEFIT THROUGH THE PILOT AGREEMENT; AND (vi) AUTHORIZING THE NEGOTIATION AND EXECUTION OF A LEASE AGREEMENT, LEASEBACK AGREEMENT, A PAYMENT-IN-LIEU-OF-TAX AGREEMENT, AN AGENT AND FINANCIAL ASSISTANCE PROJECT AGREEMENT, AND RELATED DOCUMENTS

## **REPORTS / ACTION ITEMS / INFORMATION ITEMS**

Financial Report. Ms. Profic began by giving a brief update on the 2025 year-end audit process. Our independent auditors, Lumsden McCormick, have wrapped up their fieldwork and we are awaiting the drafts of the financial statements. There haven't been any internal control issues brought to our attention during the audit, and we've been informed that there are no expected audit adjustments. The financial statements and related reports will be reviewed in detail at the Finance & Audit Committee meeting on March 12. All board members are welcome to attend the Committee meeting. The final reports will be presented to the Board for approval at the March 25 meeting, for submission to the ABO prior to the March 31 deadline.

Ms. Profic then presented the January financial reports. The balance sheet shows that the IDA ended 2025 with total assets of \$36.3M and net assets of \$20.7M. To give an update on the 2025 financial reports, the IDA recognized operating revenues of \$3.6M, including \$2.6M of Administrative Fees. This exceeded our Administrative Fee budget for the third time in the last five years and fifth time in the last ten years. Overall ECIDA had an increase in net position of \$628,000 in 2025. ECIDA finished the month with total assets of \$36.3M, including unrestricted cash of \$6.5M available for Agency operations. Net assets decreased to \$20.5M. Overall total assets remained extremely consistent with December. Cash decreased \$456,000 because of a net

loss for the month combined with a decrease in accounts payable, and restricted cash increased \$270,000 due to an increase in funds held on behalf of others. Liabilities increased slightly to \$15.5M. The income statement shows a net loss of \$138,000. Operating revenue of \$88,000 was under our monthly budget by \$157,000, due to no administrative fees received during the month. \$81,000 of administrative fees have been received so far in February. Operating expenses of \$262,000 were \$20,000 below budget, with the largest variances in salaries & benefits and public hearings and marketing. Net non-operating revenue of \$34,000, brings us to a net loss of \$138,396 for the month and year to date. Ms. McDuffie directed that the report be received and filed.

Governance Committee Update. Ms. McDuffie updated members on the most recent Governance Committee meeting.

## **MANAGEMENT TEAM REPORT**

Mr. Cappellino informed members that Andy Federick has taken a new position with the City of Buffalo and stated that we look forward to working with him in his new role.

ECIDA Marketing and Communications Director Robbie-Ann McPherson participated in the Mentoring Monday event this past Monday at Riverworks. The event is sponsored by Business First each year and features local female executives serving as Mentors for young female professionals seeking career advice. The Agency has participated for the past five years.

There being no further business to discuss, Ms. McDuffie adjourned the meeting of the Agency at 12:50 p.m.

Dated: February 25, 2026

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Elizabeth A. O'Keefe, Secretary

**Erie County Industrial Development Agency**  
**Financial Statements**  
As of February 28, 2026

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")**

**Balance Sheet**

February 28, 2026

|   | February 2026               | January 2026                | December 2025               |
|---|-----------------------------|-----------------------------|-----------------------------|
| <b>ASSETS:</b>                                  |                             |                             |                             |
| Cash and Equivalents *                          | \$ 6,609,374                | \$ 6,538,910                | \$ 6,995,073                |
| Restricted Cash & Investments *                 | 13,048,864                  | 18,413,802                  | 18,142,821                  |
| Due from Affiliates                             | 4,209,465                   | 4,164,664                   | 3,956,316                   |
| Due from Buffalo Urban Development Corp.        | 25,294                      | 134,690                     | 127,893                     |
| Other Receivables                               | 276,020                     | 217,417                     | 209,591                     |
| Total Current Assets                            | <u>24,169,016</u>           | <u>29,469,484</u>           | <u>29,431,694</u>           |
| Grants Receivable                               | 4,638,511                   | 4,839,110                   | 4,839,110                   |
| Lease Receivable                                | 343,824                     | 363,302                     | 382,699                     |
| Venture Capital Investments, net of reserves    | 406,247                     | 406,247                     | 406,247                     |
| Capital Assets                                  | 1,243,009                   | 1,257,292                   | 1,277,299                   |
| Total Long-Term Assets                          | <u>6,631,592</u>            | <u>6,865,951</u>            | <u>6,905,356</u>            |
| <b>TOTAL ASSETS</b>                             | <u><u>\$ 30,800,607</u></u> | <u><u>\$ 36,335,435</u></u> | <u><u>\$ 36,337,050</u></u> |
| <b>LIABILITIES &amp; NET ASSETS</b>             |                             |                             |                             |
| Accounts Payable & Accrued Exp.                 | \$ 222,143                  | \$ 248,669                  | \$ 505,387                  |
| Lease Payable                                   | 217,441                     | 229,759                     | 242,026                     |
| Deferred Revenues                               | 4,021,889                   | 4,042,574                   | 4,040,200                   |
| Funds Held on Behalf of Others                  | 5,543,968                   | 10,935,913                  | 10,513,124                  |
| Total Liabilities                               | <u>10,005,440</u>           | <u>15,456,915</u>           | <u>15,300,737</u>           |
| Deferred Inflows of Resources Related to Leases | 343,824                     | 363,302                     | 382,699                     |
| Net Assets                                      | <u>20,451,343</u>           | <u>20,515,218</u>           | <u>20,653,614</u>           |
| <b>TOTAL LIABILITIES &amp; NET ASSETS</b>       | <u><u>\$ 30,800,607</u></u> | <u><u>\$ 36,335,435</u></u> | <u><u>\$ 36,337,050</u></u> |

\* Cash and restricted cash is invested in interest bearing accounts at M&T Bank and obligations of the United States of America at Wilmington Trust. The maximum FDIC insured amount = \$250,000 with the remainder of the cash balance collateralized with government obligations by the financial institution. Collateral is not required for U.S. government obligations.

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")**

**Income Statement**

Month of February 2026

|   | <b>Actual vs. Budget</b> |                  |                    |
|---|--------------------------|------------------|--------------------|
|   | <b>Actual</b>            | <b>Budget</b>    | <b>Variance</b>    |
| <b>REVENUES:</b>                        |                          |                  |                    |
| Administrative Fees                     | \$ 81,250                | \$ 158,333       | \$ (77,083)        |
| Management Fees - Affiliates and Others | 51,400                   | 59,650           | (8,250)            |
| Rental Income                           | 19,342                   | 20,275           | (933)              |
| Other Income                            | 600                      | 417              | 183                |
| <b>Total Revenues</b>                   | <b>152,592</b>           | <b>238,675</b>   | <b>(86,083)</b>    |
| <b>EXPENSES:</b>                        |                          |                  |                    |
| Salaries & Benefits                     | \$ 189,429               | \$ 209,688       | \$ (20,259)        |
| General Office Expenses                 | 23,842                   | 24,366           | (524)              |
| Building Operating Costs                | 1,952                    | 6,947            | (4,995)            |
| Professional Services                   | -                        | 13,125           | (13,125)           |
| Public Hearings & Marketing             | 8,959                    | 10,000           | (1,041)            |
| Travel, Mileage & Meeting Expenses      | 2,434                    | 3,125            | (691)              |
| Depreciation and amortization           | 20,007                   | 20,024           | (17)               |
| Other Expenses                          | 996                      | 1,250            | (254)              |
| <b>Total Expenses</b>                   | <b>247,620</b>           | <b>288,525</b>   | <b>(40,905)</b>    |
| <b>SPECIAL PROJECT GRANTS:</b>          |                          |                  |                    |
| Revenues                                | \$ 24,185                | \$ 373,432       | \$ (349,247)       |
| Expenses                                | (24,185)                 | (348,265)        | 324,081            |
|   | -                        | 25,167           | (25,167)           |
| <b>NET OPERATING INCOME/(LOSS) :</b>    | <b>(95,028)</b>          | <b>(24,683)</b>  | <b>(70,345)</b>    |
| <b>NON-OPERATING REVENUE:</b>           |                          |                  |                    |
| Interest Income                         | \$ 32,112                | \$ 38,644        | \$ (6,532)         |
| Interest Expense                        | (957)                    | (1,447)          | 489                |
|   | 31,154                   | 37,197           | (6,043)            |
| <b>NET INCOME/(LOSS):</b>               | <b>\$ (63,874)</b>       | <b>\$ 12,514</b> | <b>\$ (76,388)</b> |

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("ECIDA")**

**Income Statement**

Year to Date: February 28, 2026

|  | Actual vs. Budget   |                  |                     | Actual vs. Prior Year |                     |                    |
|--|---------------------|------------------|---------------------|-----------------------|---------------------|--------------------|
|  | Actual              | Budget           | Variance            | Actual                | Prior Year          | Variance           |
| <b>REVENUES:</b>   |                     |                  |                     |                       |                     |                    |
| Administrative Fees  | \$ 83,250           | \$ 316,667       | \$ (233,417)        | \$ 83,250             | \$ 136,947          | \$ (53,697)        |
| Affiliate Management Fees                                    | 102,800             | 119,333          | (16,533)            | 102,800               | 97,200              | 5,600              |
| Rental Income  | 38,602              | 40,549           | (1,947)             | 38,602                | 37,124              | 1,478              |
| Other Income   | 16,055              | 6,833            | 9,221               | 16,055                | 6,520               | 9,535              |
| <b>Total Revenues</b>  | <b>240,707</b>      | <b>483,382</b>   | <b>(242,675)</b>    | <b>240,707</b>        | <b>277,791</b>      | <b>(37,084)</b>    |
| <b>EXPENSES:</b>   |                     |                  |                     |                       |                     |                    |
| Salaries & Benefits  | 392,237             | 419,376          | (27,139)            | 392,237               | 367,617             | 24,620             |
| General Office Expenses                                      | 48,935              | 48,732           | 204                 | 48,935                | 43,898              | 5,037              |
| Building Operating Costs                                     | 8,558               | 13,893           | (5,335)             | 8,558                 | 10,189              | (1,631)            |
| Professional Services  | -                   | 9,583            | (9,583)             | -                     | 8,250               | (8,250)            |
| Public Hearings & Marketing                                  | 13,089              | 20,000           | (6,911)             | 13,089                | 6,498               | 6,591              |
| Travel, Mileage & Meeting Expenses                           | 3,631               | 6,250            | (2,619)             | 3,631                 | 2,712               | 919                |
| Depreciation and amortization                                | 40,015              | 40,048           | (33)                | 40,015                | 39,215              | 800                |
| Other Expenses   | 2,898               | 4,250            | (1,352)             | 2,898                 | 3,190               | (291)              |
| <b>Total Expenses</b>  | <b>509,364</b>      | <b>562,132</b>   | <b>(52,769)</b>     | <b>509,364</b>        | <b>481,569</b>      | <b>27,795</b>      |
| <b>SPECIAL PROJECT GRANTS:</b>                               |                     |                  |                     |                       |                     |                    |
| Revenues   | 25,651              | 746,864          | (721,213)           | 25,651                | 75,489              | (49,838)           |
| Expenses   | (24,731)            | (696,531)        | 671,800             | (24,731)              | (41,427)            | 16,696             |
|  | 920                 | 50,333           | (49,413)            | 920                   | 34,062              | (33,142)           |
| <b>NET INCOME/(LOSS) BEFORE OTHER STRATEGIC INVESTMENTS:</b> |                     |                  |                     |                       |                     |                    |
|  | \$ (267,737)        | \$ (28,417)      | \$ (239,320)        | \$ (267,737)          | \$ (169,715)        | \$ (98,021)        |
| <b>OTHER STRATEGIC INVESTMENTS AND INITIATIVES:</b>          |                     |                  |                     |                       |                     |                    |
| Renaissance Commerce Park Grant                              | \$ -                | \$ -             | \$ -                | \$ -                  | \$ (94,684)         | \$ 94,684          |
| Angola Ag Park Grant   | -                   | -                | -                   | -                     | (5,483)             | 5,483              |
|  | -                   | -                | -                   | -                     | (100,167)           | 100,167            |
| <b>NET OPERATING INCOME/(LOSS):</b>                          | <b>(267,737)</b>    | <b>(28,417)</b>  | <b>(239,320)</b>    | <b>(267,737)</b>      | <b>(269,883)</b>    | <b>2,146</b>       |
| <b>NON-OPERATING REVENUE:</b>                                |                     |                  |                     |                       |                     |                    |
| Interest Income  | 67,432              | 77,288           | (9,855)             | 67,432                | \$ 81,550           | (14,118)           |
| Interest Expense   | (1,966)             | (1,447)          | (519)               | (1,966)               | (3,162)             | 1,197              |
|  | 65,466              | 75,841           | (10,374)            | 65,466                | 78,388              | (12,921)           |
| <b>NET INCOME/(LOSS):</b>                                    | <b>\$ (202,270)</b> | <b>\$ 47,424</b> | <b>\$ (249,694)</b> | <b>\$ (202,270)</b>   | <b>\$ (191,495)</b> | <b>\$ (10,775)</b> |

To: ECIDA, RDC & ILDC Boards of Directors  
From: Michael Szukala, Chair  
Date: March 25, 2026  
Re: Finance & Audit Committee Report

In accordance with its Committee Charter, the Finance & Audit Committee is required to “report its actions and recommendations to the Board at each regular meeting of the Board following a meeting of the Finance and Audit Committee and when otherwise requested by the Board”. This report is prepared to satisfy this requirement.

A joint meeting of the ECIDA, RDC & ILDC Finance & Audit Committee was held on March 12, 2026. Committee members present were: Michael Szukala, Chair, Dr. Lavonne Ansari, Allison DeHonney, Lorry Goldhawk, Glenn Nellis, and Hon. Brian Nowak. The following items were reviewed:

1) Lumsden McCormick CPAs Report including Draft 2025 Audited Financial Statements

The Agency’s auditors presented drafts of 2025 Audited Financial Statements for ECIDA, RDC, and ILDC (copies of which are included in respective Board packages).

- The independent auditors expressed an unmodified (clean) opinion on the financial statements of all entities. This type of opinion indicates that the financial statements present fairly, in all material respects, the financial position of the entities as of December 31, 2025 and the changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.
- No difficulties in performing the audits or disagreements with management.
- No significant deficiencies or material weaknesses in internal controls noted.

The Committee recommended that the draft statements be approved by the respective boards.

2) Public Authorities Accountability Act (PAAA) 2025 Annual Report

The Committee reviewed the PAAA 2025 Annual Report required under the Public Authorities Law and recommended that it be approved by their respective Boards.

3) 2025 Investment Reports

The Committee reviewed the 2025 Investment Reports, which are required under the Public Authorities Law and recommended that they be approved by their respective Boards.

4) Fee Structure Policy

The Committee reviewed changes to the ECIDA & ILDC’s Fee Structure Policy and recommended adoption by the Boards.

5) Investment and Deposit Policy Re-Adoption

The Committee reviewed Investment and Deposit Policy and recommended it be readopted by the Boards. Annual readoption is required by Public Authorities Law.

6) Finance & Audit Committee Self-Evaluation

The Committee approved a report that documents the Committee's activities for 2025 as required under the Public Authorities Law.

- 7) The Committee reviewed Management's Assessment of the Effectiveness of Internal Controls, a document prepared by management based on internal control processes and procedures of the organization. The document will be posted on the website as required by the Authorities Budget Office.
- 8) The Committee reviewed a summary of the corporate credit card usage in accordance with the Corporate Credit Card Policy.
- 9) The Committee reviewed a document entitled "Audit Committee Priorities in the Year Ahead" from Deloitte's Center for Board Effectiveness to satisfy the educational requirements set forth in the Finance & Audit Committee Charter.

**Erie County Industrial Development Agency (ECIDA), Buffalo and Erie County  
Regional Development Corporation (RDC), and Buffalo and Erie County  
Industrial Land Development Corporation (ILDC)**

**2025 Finance & Audit Committee Self-Evaluation**

**Responsibilities of the Finance & Audit Committee:**

The core responsibilities of the Finance & Audit Committee, as mandated under Section 2825 of the New York Public Authorities Law, are set forth in the Bylaws and include: (i) providing assistance to members of the Agency in fulfilling their fiduciary responsibilities relating to accounting, reporting, and regulatory compliance practices; (ii) maintaining, through regular meetings, direct communication between the members of the Agency and the Agency’s independent accountants and auditors; (iii) maintaining direct communication between members of the Agency and the governmental authorities having audit authority or fiscal oversight of the Agency; (iv) approving the budget of the Agency for submission to the Board; (v) approving and/or directing the transfers of moneys under the budget; (vi) recommending to the Board the level of cash reserves and the level of fund balances of the Agency.

| Finance & Audit Committee Self-Evaluation   | Yes                                 | No                       | Pen<br>ding              | Comments   |
|---|-------------------------------------|--------------------------|--------------------------|--|
| 1. Are the members of the Finance & Audit Committee appointed in accordance with the Bylaws and do individuals appointed to the Finance & Audit Committee possess the necessary skills to understand the duties and functions of the Finance & Audit Committee and are familiar with corporate financial and accounting practices?  | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |  |
| 2. Is each member of the Finance & Audit Committee an “independent member” within the meaning of, and to the extent required by, Section 2825 of the New York Public Authorities Law, as amended from time to time? Did Finance & Audit Committee members, who are members of the Agency, comply with the conflict of interest provisions applicable to public officers under Article 18 of the New York General Municipal Law? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |  |
| 3. Did the Finance & Audit Committee meet a minimum of twice each calendar year?  | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | The Finance & Audit Committee met on 1/8/25, 3/20/25, 5/19/25, 9/3/25, and 10/16/25. |

| Finance & Audit Committee Self-Evaluation   | Yes                                 | No                       | Pending                  | Comments                    |
|---|-------------------------------------|--------------------------|--------------------------|-----------------------------|
| <p>4. Were meeting notices and agendas prepared for each meeting and provided to Finance &amp; Audit Committee members by electronic or regular mail at least five (5) days in advance of the scheduled meeting? Were minutes of all meetings recorded by the Secretary or any Assistant Secretary of the Agency? Did all meetings comply with the requirements of the Open Meetings Law?</p> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |                             |
| <p>5. Did the Finance &amp; Audit Committee develop the Agency's audit practices, which should address independent auditors and financial statements; internal controls, compliance, and risk assessment; special investigations; and other responsibilities?</p>   | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | See Questions #6-#10 below. |

| Finance & Audit Committee Self-Evaluation  | Yes                                 | No                       | Pending                  | Comments  |
|--|-------------------------------------|--------------------------|--------------------------|---|
| <p>6. Did the Finance &amp; Audit Committee:</p> <p>(a) Recommend to the Board the appointment of independent auditors, establish the compensation to be paid to the auditors, and provide oversight of the audit services provided by the independent auditor?</p> <p>(b) Establish procedures for the engagement of the independent auditors to provide permitted audited services?</p> <p>(c) Review and approve the Agency's audited financial statements, associated management letter, and all other auditor communications?</p> <p>(d) Review significant accounting and reporting issues and understand their impact on the financial statements of the Agency?</p> <p>(e) Meet with the Agency's independent auditor at least annually to discuss the financial statements of the Agency and any issues that may have arisen during the audit?</p> <p>(f) Review and discuss any significant risks reported in the independent audit and assess the responsiveness of management's follow-up activities regarding same?</p> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <p>Current audit engagement with Lumsden McCormick was recommended by the Committee and approved by the Boards of Directors 9/28/22. Lumsden provided an overview of their audit plan on 1/8/25. In March 2025, Lumsden completed audits of the ECIDA, RDC, and ILDC for the year ended 12/31/24. The auditors issued unmodified (clean) opinions that the statements fairly presented the financial position of the above referenced corporations. The auditors also indicated that the audits did not uncover any material weaknesses in internal control and there were no instances of non-compliance in accordance with government auditing standards.</p> |
| <p>7. Did the Finance &amp; Audit Committee review management's assessment of the effectiveness of the Agency's internal controls and review the actions taken by management on the independent accountants' and auditors' suggestions for correcting weaknesses in the Agency's internal controls, regulatory compliance, and organizational structure and operations?</p>  | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <p>Management's assessment of the effectiveness of internal controls was reviewed with the Committee at the 3/20/25 meeting. The March 2025 audit reports did not identify any internal controls or material weaknesses.</p>  |

| Finance & Audit Committee Self-Evaluation   | Yes                                 | No                       | Pending                  | Comments   |
|---|-------------------------------------|--------------------------|--------------------------|--|
| <p>8. Did the Finance &amp; Audit Committee:</p> <p>(a) Ensure that the Agency has a confidential mechanism for individuals to report suspected fraudulent activities, allegations of corruption, fraud, criminal activity, conflicts of interest by directors, officers, or employees of the Agency or anyone having business dealings with the Agency?</p> <p>(b) Develop procedures for the receipt, retention, investigation, or referral of complaints concerning accounting, internal controls, and auditing?</p> <p>(c) Request and oversee special investigations as needed or refer specific issues to the Board or appropriate committee for further investigation?</p> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <p>ECIDA adopted a Whistleblower Policy in March of 2012. The Policy describes the process for reporting suspected fraudulent activities and describes the protections afforded to individuals who report suspected fraudulent activities. The Policy was most recently re-adopted by the Board of Directors on 3/27/24.</p> |
| <p>9. Did the Finance &amp; Audit Committee obtain information and training needed to enhance the committee members' understanding of the role of the independent auditor, the risk management process, internal controls, and appropriate level of familiarity in financial reporting standards and processes?</p>   | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <p>On 3/20/25, the Committee received an article entitled, "On the Audit Committee's Agenda: Looking ahead to 2025" published by the Deloitte Center for Board Effectiveness.</p>  |

| Finance & Audit Committee Self-Evaluation  | Yes                                 | No                       | Pending                  | Comments  |
|--|-------------------------------------|--------------------------|--------------------------|---|
| <p>10. Did the Finance &amp; Audit Committee:</p> <p>(a) Report its actions and recommendations to the Board?</p> <p>(b) Report to the Board at least annually regarding any changes to the Finance &amp; Audit Committee Charter?</p> <p>(c) Provide a self-evaluation to the Board on an annual basis?</p> <p>(d) Report to the Board at least annually on the findings of its independent auditors?</p> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <p>The Committee reported its actions and recommendations to the Board following each meeting that included an action or recommendation: 3/26/25, 5/28/25, 9/24/25, and 10/22/25. On 3/26/25, this report included the: (1) Audit &amp; Finance Committee self-evaluation; (2) Audit &amp; Finance Committee Charter; (3) draft 2024 financial statements audited by Lumsden McCormick; (4) Corporate Credit Card Policy; (5) 2024 Public Authorities Annual Report; (6) Investment &amp; Deposit Policy; and (7) 2024 Investment Report.</p> |

## Finance & Audit Committee Self-Evaluation

### ***Other Self-Evaluation Notes***

In addition to the above:

- During its 5/19/25 meeting, the Committee recommended a tax-exempt bond issuance for Canisius University, and approved one year extensions for professional auditing services and insurance brokerage services.
- During its 9/3/25 meeting, ECIDA staff discussed the ECIDA, RDC, and ILDC budget review process and the timelines for obtaining approval for those budgets. The Committee also reviewed drafts of the 2026 ECIDA, RDC, and ILDC operating and capital budgets and three-year forecasts. In addition, the Committee recommended a part taxable and part tax-exempt bond issuance for D'Youville University.
- During the 10/16/25 meeting, the Committee reviewed updated drafts of the 2026 ECIDA, RDC, and ILDC operating and capital budgets and three-year forecasts and approved a motion to forward the respective budgets to the Boards of each entity for approval. The Committee also recommended a tax-exempt bond refunding for the City School District of the City of Buffalo's Joint Schools Construction Board.

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## COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

March 12, 2026

Members of the Finance & Audit Committees and Boards of Directors  
Erie County Industrial Development Agency and related entities

We have audited the separate financial statements of Erie County Industrial Development Agency (ECIDA), Buffalo and Erie County Regional Development Corporation (RDC), and Buffalo and Erie County Industrial Land Development Corporation (ILDC), business-type activities (collectively, the Organizations) for the year ended December 31, 2025 and have issued our report thereon dated March 12, 2026. Professional standards require that we advise you of the following matters relating to our audits.

### **Our Responsibility in Relation to the Financial Statement Audits**

As communicated in our engagement letter dated October 29, 2025, our responsibility, as described by professional standards, is to form and express an opinion about whether each entity's financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audits of each entity's financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audits to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of each entity's internal control over financial reporting. Accordingly, as part of our audits, we considered the internal control of each entity solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audits that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

### **Planned Scope and Timing of the Audits**

We conducted our audits consistent with the planned scope and timing we previously communicated to you in the engagement letter.

### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

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## **Qualitative Aspects of the Organizations' Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Organizations are included in Note 1 to each entity's financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2025. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Significant Accounting Estimates and Audit Risk Items*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on 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 markedly from management's current judgments. The most sensitive accounting estimates and audit risk items affecting each entity's financial statements are:

- Establishing allowances for uncollectible loans
- Depreciable lives and methods
- Valuation of other assets
- Valuation of leases receivable and payable

Management's estimates of the above are based on management's knowledge and experience about past and current events and assumptions about future events. We evaluated the key factors and assumptions used to develop the estimates above and determined that they are reasonable in relation to each entity's financial statements taken as a whole.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. We evaluated all disclosures in relation to each entity's financial statements as a whole and determined that they are reasonable.

### **Significant Difficulties Encountered During the Audits**

We encountered no significant difficulties in dealing with management relating to the performance of the audits.

### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards also require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. We identified grant expenditures of \$152,400 that were expensed by ILDC during 2025 but should have been recorded in 2024. This uncorrected misstatement to adjust beginning net position and expenses is not material to the financial statements as a whole.

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In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to each entity's financial statements taken as a whole.

## **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to each entity's financial statements or the auditors' report. No such disagreements arose during the course of the audits.

## **Circumstances that Affect the Form and Content of the Auditors' Report**

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditors' reports. There were no modifications to the audit opinions.

## **Representations Requested from Management**

We have requested certain written representations from management, which are included in the management representation letter dated consistent with the financial statement audit report date.

## **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matter.

## **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the Organizations, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, business conditions affecting the Organizations, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Organizations' auditors.

## **Other Matters**

We applied certain limited procedures to Management's Discussion and Analysis that supplements the basic financial statements for each entity. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

With respect to each of the supplementary information accompanying the financial statements of each entity, we made certain inquiries of management and evaluated the form, content, and methods of preparing the schedules to determine that the information complies with accounting principles generally accepted in the United States of America, the methods of preparing them has not changed from the prior period, and the schedules are appropriate and complete in relation to our audits of the Organizations' 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.

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This information is intended solely for the use of the Finance & Audit Committees, Board of Directors, and management of the Organizations. It is not intended to be and should not be used by anyone other than these specified parties.

# DRAFT

## MANAGEMENT LETTER

March 12, 2026

The Finance & Audit Committees, Boards of Directors, and Management  
Erie County Industrial Development Agency and related entities

In planning and performing our audits of the financial statements of Erie County Industrial Development Agency (ECIDA), Buffalo and Erie County Regional Development Corporation, and Buffalo and Erie County Industrial Land Development Corporation (collectively, the Organizations), business-type activities, as of and for the year ended December 31, 2025, in accordance with auditing standards generally accepted in the United States of America, we considered the Organizations' internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the separate financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Organizations' internal control. Accordingly, we do not express an opinion on the effectiveness of Organizations' internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

Our consideration of internal control was for the limited purpose described in the first paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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This communication is intended solely for the information and use of management, the Finance & Audit Committees, Boards of Directors, and others within the Organizations. It is not intended to be, and should not be, used by anyone other than these specified parties.

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**ERIE COUNTY INDUSTRIAL  
DEVELOPMENT AGENCY**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2025**

# DRAFT

ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

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## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
Erie County Industrial Development Agency

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of Erie County Industrial Development Agency (ECIDA), a business-type activity, as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise ECIDA's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of ECIDA as of December 31, 2025 and 2024, and the changes in its financial position and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

#### *Basis For Opinion*

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of ECIDA, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about ECIDA's ability to continue as a going concern for one year beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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## *Auditors' Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 ECIDA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ECIDA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## *Required Supplementary Information*

GAAP requires that management's discussion and analysis be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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.

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## *Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise ECIDA's basic financial statements. The accompanying supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic 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 financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the accompanying supplementary information is fairly stated in all material respects in relation to the basic 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 March 12, 2026 on our consideration of ECIDA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of ECIDA's 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 ECIDA's internal control over financial reporting and compliance.

March 12, 2026

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## ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

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### Management's Discussion and Analysis (Unaudited)

December 31, 2025

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Erie County Industrial Development Agency (ECIDA) is a public benefit corporation that provides tax incentives, financing programs, international trade assistance, land development, and other economic development services to the City of Buffalo (the City) and Erie County, New York (the County). In accomplishing its mission, ECIDA does not receive any operational funding from Federal, State, County, or local sources. Instead, ECIDA relies primarily upon administrative fees charged to those businesses that utilize its products and services.

As a public benefit corporation, ECIDA is required to comply with accounting standards issued by the Governmental Accounting Standards Board (GASB). Under GASB Statement No. 34, *Basic Financial Statements - Management's Discussion and Analysis - for State and Local Governments*, ECIDA is required to present management's discussion and analysis (MD&A) to assist readers in understanding ECIDA's financial performance.

We present the attached overview and analysis of the financial activities of ECIDA as of and for the years ended December 31, 2025, 2024, and 2023. We encourage readers to consider the information presented here in conjunction with ECIDA's audited financial statements.

#### Basic Overview of the Financial Statements

Included in this report are the following financial statements:

- 1) Balance Sheets - The balance sheets show the reader what ECIDA owns (assets and deferred outflows of resources) and what ECIDA owes (liabilities and deferred inflows of resources). ECIDA's assets and deferred outflows of resources less liabilities and deferred inflows of resources (net position) can be one way to measure ECIDA's financial position. Over time, increases or decreases in ECIDA's net position are an indicator of whether its financial health is improving or deteriorating.
- 2) Statements of Revenues, Expenses, and Changes in Net Position - This statement reports ECIDA's operating and nonoperating revenues by major source along with operating and nonoperating expenses. The difference between total revenues and expenses can be one way to measure ECIDA's operating results for the year.
- 3) Statements of Cash Flows - This statement reports ECIDA's cash flows from operating, capital and related financing, and investing activities.

#### Financial Highlights

- ECIDA's net position increased by 3% from \$20,026,000 in 2024 to \$20,654,000 in 2025.
- ECIDA experienced an increase in net position of \$628,000 in 2025 compared to a decrease of \$114,000 in 2024.
- Administrative fees, a key source of revenue for ECIDA, increased 43% from \$1,862,000 in 2024 to \$2,665,000 in 2025.
- Operating expenses increased from \$3,083,000 in 2024 to \$3,231,000 in 2025.

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## Condensed Comparative Financial Statements

### Balance Sheets at December 31:

| <i>in thousands</i>  | 2025             | 2024             | \$ Change         | % Change     | 2023             |
|--|------------------|------------------|-------------------|--------------|------------------|
| <b>Assets</b>  |                  |                  |                   |              |                  |
| Cash and investments   | \$ 14,362        | \$ 13,340        | \$ 1,022          | 8%           | \$ 13,704        |
| Receivables and other assets                                 | 9,905            | 11,066           | (1,161)           | (10%)        | 11,234           |
| Capital assets, net  | 1,277            | 1,450            | (173)             | (12%)        | 1,507            |
| Restricted cash and investments                              | 10,793           | 11,528           | (735)             | (6%)         | 9,777            |
| <b>Total assets</b>  | <b>36,337</b>    | <b>37,384</b>    | <b>(1,047)</b>    | <b>(3%)</b>  | <b>36,222</b>    |
| <b>Liabilities</b>   |                  |                  |                   |              |                  |
| Unearned revenue and other liabilities                       | \$ 4,788         | \$ 5,462         | \$ (674)          | (12%)        | \$ 5,741         |
| Funds held on behalf of others                               | 10,513           | 11,287           | (774)             | (7%)         | 9,516            |
| <b>Total liabilities</b>                                     | <b>15,301</b>    | <b>16,749</b>    | <b>(1,448)</b>    | <b>(9%)</b>  | <b>15,257</b>    |
| <b>Deferred inflows of resources – leases</b>                | <b>382</b>       | <b>609</b>       | <b>(227)</b>      | <b>(37%)</b> | <b>825</b>       |
| <b>Net position</b>  |                  |                  |                   |              |                  |
| Net investment in capital assets                             | 1,035            | 1,065            | (30)              | (3%)         | 985              |
| Restricted   | 11,231           | 11,239           | (8)               | (0%)         | 11,116           |
| Unrestricted   | 8,388            | 7,722            | 666               | 9%           | 8,039            |
| <b>Total net position</b>                                    | <b>20,654</b>    | <b>20,026</b>    | <b>628</b>        | <b>3%</b>    | <b>20,140</b>    |
| <b>Total liabilities, deferred inflows, and net position</b> | <b>\$ 36,337</b> | <b>\$ 37,384</b> | <b>\$ (1,047)</b> | <b>(3%)</b>  | <b>\$ 36,222</b> |

Cash and investments consist of ECIDA's general operating funds and Urban Development Action Grant (UDAG) funds. The \$1,022,000, or 8%, increase from 2024 to 2025 is due to overall operating income and a reduction in receivables in 2025. The decrease from 2023 to 2024 was a result of an overall operating loss and increased receivables.

Receivables and other assets include grants receivable, affiliate receivables, leases receivable, prepaid expenses, and venture capital investments. The decrease of \$1,161,000, or 10%, is the result of decreases in affiliate, grant, and leases receivable. Affiliate receivables decreased \$615,000 because of repayments and grants receivable decreased \$376,000 as receipts outpaced new grants. Leases receivable decreased \$227,000, consistent with the decrease in the corresponding deferred inflows of resources. The decrease from 2023 to 2024 was the result of decreases in grants receivable and leases receivable.

Restricted cash and investments consist primarily of funds held on behalf of others including the Erie County Regional Redevelopment Fund, Buffalo Brownfields Redevelopment Fund, and PILOT Increment Financing (PIF) funds. The \$735,000 or 6% decrease from 2024 is primarily due to the use of \$2,352,000 for eligible projects and required distributions to municipalities of \$487,000 outpacing PILOT receipts of \$1,718,000 and interest of \$347,000. Restricted cash and investments also include \$280,000 for the Railway Trust Fund, which increased \$39,000 from 2024. The \$1,751,000, or 18%, increase in 2024 over 2023 was due to receipts in excess of required disbursements to municipalities.

The \$674,000 decrease in unearned revenue and other liabilities is due to decreases in unearned revenue of \$459,000, lease payable of \$143,000, and accounts payable and accrued expenses of \$72,000. Unearned revenue is offset by grants receivable and is recognized as special project revenue as eligible activities are performed. ECIDA's lease for office space is in effect through July 2027, and the lease payable represents the present value of remaining lease payments through the end of the lease. The decrease from 2023 to 2024 was due to decreases in unearned revenue and lease payable.

ECIDA has capitalized the initial present value of future lease receipts as a lease receivable and corresponding deferred inflow of resources. The lease receivable is reduced as cash is received and the deferred inflow of resources is recognized as rental income over the term of the lease contract. The \$227,000 or 37% decrease in deferred inflows of resources related to leases is due to the reduction as monthly lease payments from leaseholders are recognized.

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## Statements of Revenues, Expenses, and Changes in Net Position for the years ended December 31:

| <i>in thousands</i>                   | 2025          | 2024            | \$ Change     | % Change      | 2023            |
|---------------------------------------|---------------|-----------------|---------------|---------------|-----------------|
| <b>Operating revenues:</b>            |               |                 |               |               |                 |
| Administrative fees                   | \$ 2,665      | \$ 1,862        | \$ 803        | 43%           | \$ 1,750        |
| Affiliate management fees             | 461           | 321             | 140           | 44%           | 287             |
| Rental and other                      | 481           | 493             | (12)          | (2%)          | 475             |
| <b>Total operating revenues</b>       | <b>3,607</b>  | <b>2,676</b>    | <b>931</b>    | <b>35%</b>    | <b>2,512</b>    |
| <b>Operating expenses:</b>            |               |                 |               |               |                 |
| Salaries and benefits                 | 2,374         | 2,230           | 144           | 6%            | 2,035           |
| General and administrative            | 599           | 611             | (12)          | (2%)          | 794             |
| Depreciation, amortization, and other | 258           | 242             | 16            | 7%            | 248             |
| <b>Total operating expenses</b>       | <b>3,231</b>  | <b>3,083</b>    | <b>148</b>    | <b>5%</b>     | <b>3,077</b>    |
| <b>Special project grants:</b>        |               |                 |               |               |                 |
| Revenues                              | 550           | 1,130           | (580)         | (51%)         | 518             |
| Expenses                              | (787)         | (1,212)         | 425           | (35%)         | (855)           |
| <b>Total special project grants</b>   | <b>(237)</b>  | <b>(82)</b>     | <b>(155)</b>  | <b>189%</b>   | <b>(337)</b>    |
| <b>Operating income (loss)</b>        | <b>139</b>    | <b>(489)</b>    | <b>628</b>    | <b>(128%)</b> | <b>(902)</b>    |
| Nonoperating revenue (expense), net   | 489           | 375             | 114           | 30%           | 404             |
| <b>Change in net position</b>         | <b>\$ 628</b> | <b>\$ (114)</b> | <b>\$ 742</b> | <b>(651%)</b> | <b>\$ (498)</b> |

### Revenue Analysis

Administrative fees are primarily collected from the issuance of various forms of tax abatements and tax-exempt financing. Fees for tax abatement are based on the amount of project investment. ECIDA relies on these fees to cover its operating costs; however, the amount of fees collected in any given year is largely dependent upon the local economic climate and the timing between project approval and project commencement. Administrative fees increased \$803,000 or 43% in 2025 primarily due to an increase in the value of induced projects. Administrative fees were collected related to 15 different projects in 2025, up from 11 in 2024. In 2023, administrative fees were collected related to 22 projects.

Affiliate management fees represent salaries and overhead costs charged to ECIDA affiliates for services that ECIDA's employees provide to these organizations. ECIDA's affiliates include Buffalo & Erie County Regional Development Corporation (RDC), a lending corporation, and Buffalo & Erie County Industrial Land Development Corporation (ILDC), a land development corporation. Affiliate management fees increased \$140,000 in 2025 due to an increase in salaries and chargeable hours, specifically to ILDC, which had a new funding source for these costs. The increase from 2023 to 2024 was due to an increase in salaries and chargeable hours.

Rental and other income is primarily comprised of rental income for building leases and rental income from the Port Terminal Facility.

### Expense Analysis

Salaries and benefits increased \$144,000, or 6%, in 2025 due to employee raises, performance incentives, and an additional employee hired in November. In 2024, salaries and benefits increased \$195,000 from 2023 due to a staff of 18 for the duration of the year combined with increased employee salaries and benefit costs.

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General and administrative expenses decreased \$12,000 from \$611,000 in 2024 to \$599,000 in 2025 primarily due to a shift in marketing costs related to ILDC owned properties to that entity and a reduction in telephone and internet expenses. In 2024, general and administrative expenses decreased \$183,000 from a lack of administrative fee refunds compared to 2023.

The net special project grant loss of \$82,000 in 2024 increased to a net loss of \$237,000 in 2025. In 2025, grant expenses exceeded grant revenues due to carrying costs related to ILDC properties of \$100,000 and other grants totaling \$175,000 from the Agency's Urban Development Action Grant (UDAG) fund. In 2024, grant expenses exceeded grant revenues due to carrying costs for ILDC properties and UDAG grants for which there was no corresponding revenue.

Net nonoperating revenue increased \$114,000 in 2025 due to interest income of \$505,000 offset by \$16,000 of interest expense related to ECIDA's office lease. In 2024, net nonoperating revenue decreased \$29,000 caused primarily by the fair value of certain assets decreased \$101,000.

## Budget Analysis

ECIDA prepares an annual budget which was presented and approved by the Board of Directors on October 23, 2024. The following table presents an analysis of ECIDA's performance compared to the approved 2025 budget.

| <i>in thousands</i>                          | Actual        | Budget          | Variance        |               |
|--|---------------|-----------------|-----------------|---------------|
|  |               |                 | \$              | %             |
| <b>Operating revenues:</b>                   |               |                 |                 |               |
| Administrative fees                          | \$ 2,665      | \$ 1,800        | \$ 865          | 48%           |
| Affiliate management fees                    | 461           | 483             | (22)            | (5%)          |
| Rental and other                             | 481           | 445             | 36              | 8%            |
| <b>Total operating revenues</b>              | <b>3,607</b>  | <b>2,728</b>    | <b>879</b>      | <b>32%</b>    |
| <b>Operating expenses:</b>                   |               |                 |                 |               |
| Salaries and benefits                        | 2,374         | 2,386           | (12)            | (1%)          |
| General and administrative                   | 599           | 628             | (29)            | (5%)          |
| Depreciation, amortization, and other        | 258           | 252             | 6               | 2%            |
| <b>Total operating expenses</b>              | <b>3,231</b>  | <b>3,266</b>    | <b>(35)</b>     | <b>(1%)</b>   |
| Operating loss before special project grants | 376           | (538)           | 914             | (170%)        |
| <b>Special project grants:</b>               |               |                 |                 |               |
| Revenues                                     | 550           | 5,198           | (4,648)         | (89%)         |
| Expenses                                     | (787)         | (5,498)         | 4,711           | (86%)         |
| <b>Total special project grants</b>          | <b>(237)</b>  | <b>(300)</b>    | <b>63</b>       | <b>(21%)</b>  |
| Nonoperating revenue, net                    | 489           | 400             | 89              | 22%           |
| <b>Change in net position</b>                | <b>\$ 628</b> | <b>\$ (438)</b> | <b>\$ 1,066</b> | <b>(243%)</b> |

## Budget to Actual Analysis

Overall, ECIDA's increase in net position for 2025 exceeded the budgeted decrease by \$1,066,000. Administrative fees exceeded the budgeted amount by 48% due mainly to an increase in the value of induced projects and the number of projects. Total operating expenses were \$35,000 below budget mostly due to lower general and administrative expenses than budgeted. Net special project grants had a positive variance of \$63,000. Nonoperating revenue includes interest income on cash deposits and was \$89,000 greater than expected.

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## **Economic Factors Impacting ECIDA**

ECIDA relies extensively upon administrative fees to generate the majority of its annual revenue. As a result of current uncertain economic conditions and potential legislative/board actions, ECIDA's ability to generate the administrative fees necessary to support operations may be limited in the future.

## **Requests for Information**

This financial report is designed to provide a general overview of ECIDA's finances. Questions concerning any of the financial information provided in this report should be addressed to the CFO of ECIDA at (716) 856-6525. General information relating to ECIDA can be found at its website, [www.ecidany.com](http://www.ecidany.com).

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## ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

### Balance Sheets

| December 31,                                    | 2025                 | 2024                 |
|---|----------------------|----------------------|
| <b>Assets</b>                                   |                      |                      |
| <b>Current assets:</b>                          |                      |                      |
| Cash  | \$ 5,862,286         | \$ 5,341,088         |
| Investments                                     | 8,499,374            | 7,998,626            |
| Receivables                                     |                      |                      |
| Affiliates                                      | 3,956,317            | 4,571,775            |
| Grants  | 4,839,110            | 5,214,764            |
| Leases  | 234,940              | 226,584              |
| Other   | 218,132              | 185,231              |
| Prepaid expenses                                | 102,544              | 78,000               |
|   | <u>23,712,703</u>    | <u>23,616,068</u>    |
| <b>Noncurrent assets:</b>                       |                      |                      |
| Leases receivable                               | 147,759              | 382,699              |
| Capital assets, net (Note 4)                    | 1,277,299            | 1,450,212            |
| Other assets                                    | 406,247              | 406,247              |
| Restricted cash                                 | 5,274,967            | 4,988,292            |
| Restricted investments                          | 5,518,075            | 6,540,143            |
|   | <u>12,624,347</u>    | <u>13,767,593</u>    |
|   | <u>\$ 36,337,050</u> | <u>\$ 37,383,661</u> |
| <b>Liabilities and Net Position</b>             |                      |                      |
| <b>Current liabilities:</b>                     |                      |                      |
| Accounts payable                                | \$ 287,090           | \$ 407,694           |
| Lease liability                                 | 150,626              | 143,295              |
| Accrued expenses                                | 218,297              | 169,642              |
| Unearned revenue                                | 4,040,200            | 4,498,758            |
|   | <u>4,696,213</u>     | <u>5,219,389</u>     |
| <b>Noncurrent liabilities:</b>                  |                      |                      |
| Lease liability                                 | 91,400               | 242,026              |
| Funds held on behalf of others                  | 10,513,124           | 11,287,296           |
|   | <u>10,604,524</u>    | <u>11,529,322</u>    |
| <b>Deferred inflows of resources:</b>           |                      |                      |
| Deferred inflows of resources related to leases | 382,699              | 609,283              |
| <b>Net position:</b>                            |                      |                      |
| Net investment in capital assets                | 1,035,273            | 1,064,891            |
| Restricted                                      | 11,230,489           | 11,238,692           |
| Unrestricted                                    | 8,387,852            | 7,722,084            |
|   | <u>20,653,614</u>    | <u>20,025,667</u>    |
|   | <u>\$ 36,337,050</u> | <u>\$ 37,383,661</u> |

See accompanying notes.

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## ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

### Statements of Revenues, Expenses, and Changes in Net Position

| For the years ended December 31,                             | 2025                 | 2024                 |
|--|----------------------|----------------------|
| <b>Operating revenues:</b>                                   |                      |                      |
| Administrative fees  | \$ 2,664,845         | \$ 1,862,096         |
| Affiliate management fees                                    | 460,657              | 320,692              |
| Rental income  | 316,404              | 330,275              |
| Other  | 164,510              | 162,814              |
| <b>Total operating revenues</b>                              | <b>3,606,416</b>     | <b>2,675,877</b>     |
| <b>Operating expenses:</b>                                   |                      |                      |
| Salaries and benefits  | 2,373,957            | 2,229,704            |
| General and administrative                                   | 598,563              | 611,530              |
| Depreciation and amortization                                | 256,372              | 240,534              |
| Other  | 1,673                | 1,341                |
| <b>Total operating expenses</b>                              | <b>3,230,565</b>     | <b>3,083,109</b>     |
| <b>Operating income (loss) before special project grants</b> | <b>375,851</b>       | <b>(407,232)</b>     |
| <b>Special project grants:</b>                               |                      |                      |
| Revenues   | 549,710              | 1,130,308            |
| Expenses   | (786,951)            | (1,212,254)          |
| <b>Total special project grants</b>                          | <b>(237,241)</b>     | <b>(81,946)</b>      |
| <b>Operating income (loss)</b>                               | <b>138,610</b>       | <b>(489,178)</b>     |
| <b>Nonoperating revenues (expenses):</b>                     |                      |                      |
| Interest income  | 505,349              | 498,869              |
| Interest expense   | (16,012)             | (22,986)             |
| Decrease in fair value of other assets                       | -                    | (100,639)            |
| <b>Total nonoperating revenues (expenses)</b>                | <b>489,337</b>       | <b>375,244</b>       |
| <b>Change in net position</b>                                | <b>627,947</b>       | <b>(113,934)</b>     |
| Net position - beginning                                     | 20,025,667           | 20,139,601           |
| <b>Net position - ending</b>                                 | <b>\$ 20,653,614</b> | <b>\$ 20,025,667</b> |

See accompanying notes.

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## ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

### Statements of Cash Flows

| For the years ended December 31,  | 2025              | 2024                |
|---|-------------------|---------------------|
| <b>Operating activities:</b>  |                   |                     |
| Cash from fees and rental income  | \$ 2,981,249      | \$ 2,192,371        |
| Cash from special project grants  | 466,806           | 518,979             |
| Cash received from (paid to) other sources  | 1,207,724         | 681,133             |
| Payments to employees, suppliers, and other   | (3,070,686)       | (2,719,969)         |
| Payments for special project grants   | (786,951)         | (1,212,254)         |
| <b>Net operating activities</b>   | <b>798,142</b>    | <b>(539,740)</b>    |
| <b>Capital and related financing activities:</b>  |                   |                     |
| Purchases of capital assets   | (83,459)          | (184,242)           |
| Principal payments on leases  | (143,295)         | (136,321)           |
| Interest payments on leases   | (16,012)          | (22,986)            |
| Interest received on leases   | 25,318            | 36,347              |
| <b>Net capital and related financing activities</b>   | <b>(217,448)</b>  | <b>(307,202)</b>    |
| <b>Investing activities:</b>  |                   |                     |
| Change in restricted cash, net  | (1,060,847)       | 6,559,887           |
| Purchase of investments   | (92,119,680)      | (14,538,769)        |
| Maturity of investments   | 92,641,000        | -                   |
| Interest received   | 480,031           | 462,522             |
| <b>Net investing activities</b>   | <b>(59,496)</b>   | <b>(7,516,360)</b>  |
| <b>Net change in cash</b>   | <b>521,198</b>    | <b>(8,363,302)</b>  |
| Cash - beginning  | 5,341,088         | 13,704,390          |
| Cash - ending   | \$ 5,862,286      | \$ 5,341,088        |
| <b>Reconciliation of operating income (loss) to net cash flows from operating activities:</b> |                   |                     |
| Operating income (loss)   | \$ 138,610        | \$ (489,178)        |
| Adjustments to reconcile operating income (loss) to net cash flows from operating activities: |                   |                     |
| Depreciation and amortization   | 256,372           | 240,534             |
| Changes in other assets and liabilities:  |                   |                     |
| Receivables   | 958,211           | (147,919)           |
| Prepaid expenses  | (24,544)          | 600                 |
| Accounts payable  | (120,604)         | 102,703             |
| Accrued expenses  | 48,655            | 19,303              |
| Unearned revenue  | (458,558)         | (265,783)           |
| <b>Net operating activities</b>   | <b>\$ 798,142</b> | <b>\$ (539,740)</b> |

See accompanying notes.

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### Notes to Financial Statements

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#### 1. Summary of Significant Accounting Policies

##### Nature of Organization

Erie County Industrial Development Agency (ECIDA) was created in 1970 by an act of the Legislature of the State of New York (the State) for the purpose of encouraging financially sound companies to establish themselves and prosper in Erie County (the County).

ECIDA has related party relationships with Buffalo and Erie County Industrial Land Development Corporation (ILDC) and Buffalo and Erie County Regional Development Corporation (RDC). All three entities are managed by the same personnel and RDC currently shares a common board with ECIDA. These entities share the same mission, which is to provide the resources that encourage investment, innovation, workforce development, and international trade resulting in a successful business climate focused on growth, economic stability, job creation, and job retention for businesses and individuals which improves the quality of life for the residents of the region.

##### Basis of Presentation

The financial statements of ECIDA have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

##### Financial Reporting Entity

In evaluating how to define ECIDA for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in ECIDA's reporting entity is based on accounting standards which consider legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, there are no additional entities included in ECIDA's financial statements.

##### Measurement Focus

ECIDA reports as a special-purpose government engaged in business-type activities. Business-type activities are those that are financed in whole or in part by fees charged to external parties for goods or services. ECIDA's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred.

ECIDA's policy for defining operating activities in the statements of revenues, expenses, and changes in net position are those that generally result from exchange transactions such as payments received for services and payments made to purchase those goods or services. Certain other transactions are reported as nonoperating activities and include interest and investment income, interest expense, and grants resulting from nonexchange transactions. Grants are recognized as receivable and unearned revenue at the time awarded and as revenue when all eligibility requirements imposed by the provider have been satisfied. ECIDA receives special project grants from various Federal, State, and County sources.

##### Subsequent Events

ECIDA has evaluated events and transactions for potential recognition or disclosure in the financial statements through March 12, 2026, the date the financial statements were available to be issued.

##### Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

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## Cash and Investments

Cash and investment management is governed by State laws and as established by ECIDA's written policies. Cash resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Policies permit management to use demand and time accounts, certificates of deposit, obligations of the United States Treasury and its Agencies, and obligations of the State or its localities, including those held under repurchase agreements or in external investment pools.

Custodial credit risk is the risk that, in the event of a bank failure, ECIDA's deposits may not be returned to it. Collateral is required for demand and time deposits and certificates of deposit not covered by Federal Deposit Insurance. Obligations that may be pledged as collateral include obligations of the United States and its agencies and obligations of the State and its municipalities and school districts. At December 31, 2025 and 2024, ECIDA's bank deposits were fully collateralized by FDIC coverage and securities held by the pledging institution's agent in ECIDA's name.

Investments consist of U.S. Treasury Bills with original maturities in excess of three months.

## Capital Assets

Capital assets are recorded at cost. Financed right-to-use lease assets are recorded at the present value of the initial lease liability. Depreciation is provided over estimated useful lives using the straight-line method. Maintenance and repairs are expensed as incurred; significant improvements are capitalized.

Capitalization thresholds to determine which asset purchases are added to capital accounts and the estimated useful lives of capital assets are:

|                            | Capitalization<br>Policy | Estimated<br>Useful Life in<br>Years |
|----------------------------|--------------------------|--------------------------------------|
| Buildings and improvements | \$ 1,000                 | 5 - 40                               |
| Furniture and equipment    | \$ 1,000                 | 3 - 10                               |

### Rental Property:

In 1989, ECIDA developed a public warehouse and trans-shipment facility (the Port Terminal Facility) at the Gateway Metroport facility in the City of Lackawanna. The Port Terminal Facility provides enclosed storage facilities and materials handling services for the trans-shipment of goods by water, rail, and truck. The facility is owned by ECIDA and is operated by Gateway Trade Center, Inc. Port Terminal Facility rental property assets are fully depreciated. ECIDA receives a percentage of annual Excess Cash Flow, as defined, from the operations at the Port Terminal Facility.

ECIDA also owns its former office space at 143 Genesee Street. This property is recorded at cost and leased to a third party (Note 6).

## Other Assets

Other assets include venture capital investments made by ECIDA in order to spur local economic growth. Venture capital investments are recorded at the lesser of cost or fair market value as determined by management's estimates based on available financial information.

## Net Position

Net position consists of the following components:

- *Net investment in capital assets* – consists of capital assets, net of accumulated depreciation and amortization, reduced by outstanding balances of any related debt obligations attributable to the acquisition, construction, or improvement of those assets.
- *Restricted* – consists of restricted assets reduced by related liabilities. Restrictions are imposed by the U.S. Department of Housing and Urban Development's Urban Development Action Grant (UDAG) program.
- *Unrestricted* – the net amount of assets and deferred outflows of resources less liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position and therefore are available for general use by ECIDA.

## Tax Incentive Transactions

ECIDA maintains an economic development incentive program to provide sales, property, and/or mortgage recording tax benefits for qualified construction, renovation, or expansion projects or other economic development activities within Erie County. Under this program, ECIDA may take title to or a leasehold interest in the real and/or personal property involved in the project for the term of the incentive period. ECIDA simultaneously leases the property under a lease agreement to the company undertaking the project (lessee). ECIDA receives administrative fees from the lessee for providing these tax incentives which are recognized according to the terms of the fee agreement.

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ECIDA is an issuer of tax-exempt bond financing for qualified manufacturers and low-income housing projects which meet the definition of conduit debt obligations. These bonds are obligations of the borrower and secured by the assets they finance. ECIDA receives bond issuance fees from the borrower for providing this service which is recognized according to the terms of the fee agreement. ECIDA also has a shared services agreement with ILDC under which administrative and staffing services are provided to ILDC in connection with its bond issuances to nonprofit organizations in exchange for the related bond issuance fees received by ILDC. At December 31, 2025 and 2024, previously issued bonds have an aggregate outstanding balance of \$360,346,150 and \$439,614,859, none of which is recognized as a liability of ECIDA.

ECIDA received bond administrative fees from ILDC of \$550,000 in 2025 and \$337,000 in 2024.

## 2. Special Project Grants

*Bethlehem Shoreline Enhancement* – ECIDA received a grant from New York State Department of State in the amount of \$122,825 in June 2020 to support the construction and administration of Shoreline Trail enhancements on the former Bethlehem Steel property.

*Bethlehem Water and Sewer Design* – ECIDA received a grant from Erie County in the amount of \$700,000 in July 2020 to support the design, engineering, construction, and administration of water and sewer utility extensions and upgrades on the former Bethlehem Steel property. The grant was increased to \$750,000 in May 2024.

*Bethlehem Railroad Relocation* – ECIDA received a grant from Erie County in the amount of \$600,000 in June 2023 to support the relocation of rail infrastructure at the former Bethlehem Steel Property.

*Buffalo Southern Railroad* – ECIDA received a \$1,703,553 grant from New York State Department of Transportation (NYSDOT) in January 2023 and a \$250,000 grant from Erie County in July 2023.

*Buffalo Southern Railroad Capital Improvements* – ECIDA received a \$400,000 grant from Erie County in April 2024 to support the restoration of five bridges and seven miles of track on the Buffalo Southern Railroad.

*DL&W Lancaster Industrial Track Improvement* – ECIDA received a \$1,616,470 grant from NYSDOT in April 2023 and a \$250,000 grant from Erie County in September 2023 to support the restoration of the DL&W Lancaster Industrial Track.

*DL&W Railroad Bridge Repair* – ECIDA received a \$150,000 grant from Erie County in April 2024 to support safety and efficiency improvements of the DL&W Railroad.

The following is a summary of grants receivable at December 31:

|  | 2025                | 2024                |
|--|---------------------|---------------------|
| Bethlehem Shoreline Enhancement                            | \$ -                | \$ 51,804           |
| Bethlehem Water and Sewer Design                           | 136,561             | 192,797             |
| Buffalo Southern Railroad - 2017<br>PFRAP Rail Improvement | 140                 | 140                 |
| Bethlehem Railroad Relocation                              | 600,000             | 600,000             |
| Buffalo Southern Railroad                                  | 1,860,095           | 1,953,553           |
| Buffalo Southern Railroad Capital<br>Improvements          | 225,844             | 400,000             |
| DL&W Lancaster Industrial Track<br>Improvement             | 1,866,470           | 1,866,470           |
| DL&W Railroad Bridge Repair                                | 150,000             | 150,000             |
|  | <u>\$ 4,839,110</u> | <u>\$ 5,214,764</u> |

The following is a summary of unearned revenue at December 31:

|   | 2025                | 2024                |
|---|---------------------|---------------------|
| Bethlehem Shoreline Enhancement                   | \$ -                | \$ 23,910           |
| Bethlehem Water and Sewer Design                  | 101,507             | 92,835              |
| Bethlehem Railroad Relocation                     | 77,296              | 234,380             |
| Buffalo Southern Railroad                         | 1,836,051           | 1,854,989           |
| Buffalo Southern Railroad Capital<br>Improvements | 25,245              | 292,542             |
| DL&W Lancaster Industrial Track<br>Improvement    | 1,850,101           | 1,850,102           |
| DL&W Railroad Bridge Repair                       | 150,000             | 150,000             |
|   | <u>\$ 4,040,200</u> | <u>\$ 4,498,758</u> |

## 3. Funds Held on Behalf of Others

ECIDA holds funds for various development activities. ECIDA disburses these funds when given the appropriate authorization. The funds include:

|  | 2025                 | 2024                 |
|--|----------------------|----------------------|
| Erie County Regional<br>Redevelopment Fund | \$ 1,743,036         | \$ 1,686,281         |
| Buffalo Brownfields<br>Redevelopment Fund  | 40,989               | 37,213               |
| Jemal's Seneca Fund                        | 2,076,464            | 1,365,072            |
| Seneca Street Corridor Fund                | 1,261,869            | 3,524,959            |
| Main Street Improvement Fund               | 5,390,766            | 4,673,771            |
|  | <u>\$ 10,513,124</u> | <u>\$ 11,287,296</u> |

Restricted cash and investments also includes \$279,918 and \$241,139 as of December 31, 2025 and 2024, respectively, for the Railway Trust Fund for activities related to two Erie County shortline railroads.

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## 4. Capital Assets

|                                | Balance<br>January 1, 2025 | Increases    | Retirements/<br>Reclassifications | Balance<br>December 31, 2025 |
|--------------------------------|----------------------------|--------------|-----------------------------------|------------------------------|
| Land                           | \$ 167,400                 | \$ -         | \$ -                              | \$ 167,400                   |
| Depreciable capital assets:    |                            |              |                                   |                              |
| Land improvements              | 1,275,200                  | -            | -                                 | 1,275,200                    |
| Buildings                      | 2,747,489                  | -            | -                                 | 2,747,489                    |
| Furniture and equipment        | 478,547                    | 83,459       | -                                 | 562,006                      |
| Total depreciable assets       | 4,501,236                  | 83,459       | -                                 | 4,584,695                    |
| Less accumulated depreciation: |                            |              |                                   |                              |
| Land improvements              | (1,011,351)                | (46,081)     | -                                 | (1,057,432)                  |
| Buildings                      | (2,134,593)                | (36,043)     | -                                 | (2,170,636)                  |
| Furniture and equipment        | (447,811)                  | (28,959)     | -                                 | (476,770)                    |
| Total accumulated depreciation | (3,593,755)                | (111,083)    | -                                 | (3,704,838)                  |
| Total depreciable assets, net  | 907,481                    | (27,624)     | -                                 | 879,857                      |
| Right-to-use lease assets:     |                            |              |                                   |                              |
| Building                       | 532,728                    | -            | -                                 | 532,728                      |
| Accumulated amortization       | (157,397)                  | (145,289)    | -                                 | (302,686)                    |
| Total right-to-use assets, net | 375,331                    | (145,289)    | -                                 | 230,042                      |
|                                | \$ 1,450,212               | \$ (172,913) | \$ -                              | \$ 1,277,299                 |
|                                |                            |              |                                   |                              |
|                                | Balance<br>January 1, 2024 | Increases    | Retirements/<br>Reclassifications | Balance<br>December 31, 2024 |
| Land                           | \$ 167,400                 | \$ -         | \$ -                              | \$ 167,400                   |
| Depreciable capital assets:    |                            |              |                                   |                              |
| Land improvements              | 1,109,345                  | 165,855      | -                                 | 1,275,200                    |
| Buildings                      | 2,747,489                  | -            | -                                 | 2,747,489                    |
| Furniture and equipment        | 481,788                    | 18,387       | (21,628)                          | 478,547                      |
| Total depreciable assets       | 4,338,622                  | 184,242      | (21,628)                          | 4,501,236                    |
| Less accumulated depreciation: |                            |              |                                   |                              |
| Land improvements              | (964,733)                  | (46,618)     | -                                 | (1,011,351)                  |
| Buildings                      | (2,098,550)                | (36,043)     | -                                 | (2,134,593)                  |
| Furniture and equipment        | (456,856)                  | (12,583)     | 21,628                            | (447,811)                    |
| Total accumulated depreciation | (3,520,139)                | (95,244)     | 21,628                            | (3,593,755)                  |
| Total depreciable assets, net  | 818,483                    | 88,998       | -                                 | 907,481                      |
| Right-to-use lease assets:     |                            |              |                                   |                              |
| Building                       | 532,728                    | -            | -                                 | 532,728                      |
| Accumulated amortization       | (12,107)                   | (145,290)    | -                                 | (157,397)                    |
| Total right-to-use assets, net | 520,621                    | (145,290)    | -                                 | 375,331                      |
|                                | \$ 1,506,504               | \$ (56,292)  | \$ -                              | \$ 1,450,212                 |

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## 5. Related Party Transactions

ECIDA allocates a portion of personnel and rental costs to its affiliates, RDC and ILDC. Costs allocated to ILDC are subject to available funding sources. ECIDA earned \$460,657 and \$320,692 in affiliate management fees for the years ended December 31, 2025 and 2024. Management fees and receivables by affiliate are as follows:

|      | Management Fees   |                   | Receivables         |                     |
|------|-------------------|-------------------|---------------------|---------------------|
|      | 2025              | 2024              | 2025                | 2024                |
| RDC  | \$ 309,162        | \$ 300,991        | \$ 326,804          | \$ 322,042          |
| ILDC | 151,495           | 19,701            | 3,629,513           | 4,249,733           |
|      | <u>\$ 460,657</u> | <u>\$ 320,692</u> | <u>\$ 3,956,317</u> | <u>\$ 4,571,775</u> |

In 2025 and 2024, ECIDA provided ILDC with \$1,882,524 and \$2,113,970 to temporarily finance various projects. These funds are periodically repaid when ILDC receives reimbursement from grant sources.

In 2025 and 2024, the County provided \$24,000 and \$28,555, respectively, to ECIDA as a subrecipient of Community Development Block Grant funds. These funds were then transferred to ILDC for its Erie County BDF loan program. These amounts are included in special project grant revenues and expenses in the accompanying statements of revenues, expenses, and changes in net position.

## 6. Leases

ECIDA, as lessee, entered into a non-cancelable lease for office space through July 31, 2027 and recognized a right-to-use lease asset at the present value of the initial lease liability using a discount rate of 5%. The lease requires annual minimum payments of \$159,307 and utility charges that are determined on an annual basis. Principal and interest due in 2026 total \$150,626 and \$8,681, respectively.

ECIDA entered into a sublease agreement with Buffalo Urban Development Corporation for a portion of their office space through July 31, 2027. ECIDA recognized \$26,974 and \$23,940 in gross rental income, including interest at 5.0%, in 2025 and 2024. Annual receipts are expected to total \$18,564, plus utilities.

ECIDA, as lessor, has entered into a non-cancelable lease for its former office through July 31, 2027. ECIDA recognized \$231,701 in gross rental income, including interest at 5.0%, in both 2025 and 2024. Annual receipts are expected to total \$230,856, plus utilities.

## 7. Pension

ECIDA maintains a defined contribution simplified employee pension (SEP) plan covering all of its employees. Employees are eligible to participate six months after employment, with employer contributions vesting immediately. During 2025 and 2024, ECIDA made discretionary contributions of 12% of eligible employees' salaries. ECIDA's expense for contributing to the plan for the years ended December 31, 2025 and 2024 amounted to \$210,409 and \$193,741 respectively. Employees are also permitted to participate in the New York State Deferred Compensation Plan but ECIDA does not make contributions to this plan.

## 8. Risk Management

ECIDA purchases commercial insurance for various risks of loss due to torts, theft, damage, injuries to employees, and natural disasters in addition to insurance purchased to indemnify directors and officers. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

## 9. Commitments and Contingencies

### Grants

ECIDA receives financial assistance from federal, state, and local agencies in the form of grants and fiduciary agreements. Managing these funds generally requires compliance with the terms and conditions specified in the agreements and may be subject to audit by the grantor agencies. Disallowed claims resulting from such audits could become a liability of ECIDA. Based on prior experience, management expects any such amounts to be immaterial.

### Litigation

ECIDA is subject to claims and lawsuits that arise in the ordinary course of business. In the opinion of management, these claims and lawsuits will not have a material adverse effect upon the financial position of ECIDA.

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## ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

### Supplementary Information Combining Balance Sheets

December 31, 2025

|   | General<br>Account   | UDAG<br>Account      | Total                |
|---|----------------------|----------------------|----------------------|
| <b>Assets</b>                                   |                      |                      |                      |
| <b>Current assets:</b>                          |                      |                      |                      |
| Cash  | \$ 2,995,533         | \$ 2,866,753         | \$ 5,862,286         |
| Investments                                     | 3,999,539            | 4,499,835            | 8,499,374            |
| Receivables                                     |                      |                      |                      |
| Affiliates                                      | 502,547              | 3,453,770            | 3,956,317            |
| Grants  | 4,839,110            | -                    | 4,839,110            |
| Leases  | 234,940              | -                    | 234,940              |
| Other   | 214,248              | 3,884                | 218,132              |
| Prepaid expenses                                | 102,544              | -                    | 102,544              |
|   | <u>12,888,461</u>    | <u>10,824,242</u>    | <u>23,712,703</u>    |
| <b>Noncurrent assets:</b>                       |                      |                      |                      |
| Leases receivable                               | 147,759              | -                    | 147,759              |
| Capital assets, net                             | 1,277,299            | -                    | 1,277,299            |
| Other assets                                    | -                    | 406,247              | 406,247              |
| Restricted cash                                 | 5,274,967            | -                    | 5,274,967            |
| Restricted investments                          | 5,518,075            | -                    | 5,518,075            |
|   | <u>12,218,100</u>    | <u>406,247</u>       | <u>12,624,347</u>    |
|   | <u>\$ 25,106,561</u> | <u>\$ 11,230,489</u> | <u>\$ 36,337,050</u> |
| <b>Liabilities and Net Position</b>             |                      |                      |                      |
| <b>Current liabilities:</b>                     |                      |                      |                      |
| Accounts payable                                | \$ 287,090           | \$ -                 | \$ 287,090           |
| Lease liability                                 | 150,626              | -                    | 150,626              |
| Accrued expenses                                | 218,297              | -                    | 218,297              |
| Unearned revenue                                | 4,040,200            | -                    | 4,040,200            |
|   | <u>4,696,213</u>     | <u>-</u>             | <u>4,696,213</u>     |
| <b>Noncurrent liabilities:</b>                  |                      |                      |                      |
| Lease liability                                 | 91,400               | -                    | 91,400               |
| Funds held on behalf of others                  | 10,513,124           | -                    | 10,513,124           |
|   | <u>10,604,524</u>    | <u>-</u>             | <u>10,604,524</u>    |
| <b>Deferred inflows of resources:</b>           |                      |                      |                      |
| Deferred inflows of resources related to leases | 382,699              | -                    | 382,699              |
| <b>Net position:</b>                            |                      |                      |                      |
| Net investment in capital assets                | 1,035,273            | -                    | 1,035,273            |
| Restricted                                      | -                    | 11,230,489           | 11,230,489           |
| Unrestricted                                    | 8,387,852            | -                    | 8,387,852            |
|   | <u>9,423,125</u>     | <u>11,230,489</u>    | <u>20,653,614</u>    |
|   | <u>\$ 25,106,561</u> | <u>\$ 11,230,489</u> | <u>\$ 36,337,050</u> |

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## ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

### Supplementary Information Combining Schedule of Revenues, Expenses, and Changes in Net Position

For the year ended December 31, 2025

|   | General<br>Account  | UDAG<br>Account      | Total                |
|---|---------------------|----------------------|----------------------|
| <b>Operating revenues:</b>                            |                     |                      |                      |
| Administrative fees                                   | \$ 2,664,845        | \$ -                 | \$ 2,664,845         |
| Affiliate management fees                             | 460,657             | -                    | 460,657              |
| Rental income   | 316,404             | -                    | 316,404              |
| Other   | 164,510             | -                    | 164,510              |
| <b>Total operating revenues</b>                       | <b>3,606,416</b>    | <b>-</b>             | <b>3,606,416</b>     |
| <b>Operating expenses:</b>                            |                     |                      |                      |
| Salaries and benefits                                 | 2,373,957           | -                    | 2,373,957            |
| General and administrative                            | 598,563             | -                    | 598,563              |
| Depreciation and amortization                         | 256,372             | -                    | 256,372              |
| Other   | 1,673               | -                    | 1,673                |
| <b>Total operating expenses</b>                       | <b>3,230,565</b>    | <b>-</b>             | <b>3,230,565</b>     |
| <b>Operating income before special project grants</b> | <b>375,851</b>      | <b>-</b>             | <b>375,851</b>       |
| <b>Special project grants:</b>                        |                     |                      |                      |
| Revenues  | 549,710             | -                    | 549,710              |
| Expenses  | (511,784)           | (275,167)            | (786,951)            |
| <b>Total special project grants</b>                   | <b>37,926</b>       | <b>(275,167)</b>     | <b>(237,241)</b>     |
| <b>Operating income (loss)</b>                        | <b>413,777</b>      | <b>(275,167)</b>     | <b>138,610</b>       |
| <b>Nonoperating revenues (expenses):</b>              |                     |                      |                      |
| Interest income                                       | 238,385             | 266,964              | 505,349              |
| Interest expense                                      | (16,012)            | -                    | (16,012)             |
| <b>Total nonoperating revenues (expenses)</b>         | <b>222,373</b>      | <b>266,964</b>       | <b>489,337</b>       |
| <b>Change in net position</b>                         | <b>636,150</b>      | <b>(8,203)</b>       | <b>627,947</b>       |
| Net position - beginning                              | 8,786,975           | 11,238,692           | 20,025,667           |
| <b>Net position - ending</b>                          | <b>\$ 9,423,125</b> | <b>\$ 11,230,489</b> | <b>\$ 20,653,614</b> |

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## 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*

The Board of Directors  
Erie County Industrial Development Agency

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Erie County Industrial Development Agency (ECIDA), a business-type activity, as of and for the year December 31, 2025, and the related notes to the financial statements, which collectively comprise ECIDA's basic financial statements, and have issued our report thereon dated March 12, 2026.

### Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered ECIDA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of ECIDA's internal control. Accordingly, we do not express an opinion on the effectiveness of ECIDA's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

### Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether ECIDA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. 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*.

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## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of ECIDA's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering ECIDA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

March 12, 2026

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## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SECTION 2925(3)(f) OF THE NEW YORK STATE PUBLIC AUTHORITIES LAW

The Board of Directors  
Erie County Industrial Development Agency

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Erie County Industrial Development Agency (ECIDA), a business-type activity, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise ECIDA's basic financial statements, and we have issued our report thereon dated March 12, 2026.

In connection with our audit, nothing came to our attention that caused us to believe that ECIDA failed to comply with §2925(3)(f) of the New York State Public Authorities Law regarding investment guidelines during the year ended December 31, 2025. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding ECIDA's noncompliance with the above rules and regulations.

The purpose of this report is solely to describe the scope and results of our testing. This communication is not suitable for any other purpose.

March 12, 2026

**Erie County Industrial Development Agency**  
**Investment Report**  
For the year ended December 31, 2025

# **Erie County Industrial Development Agency 2025 Annual Investment Report**

## **Purpose of Report:**

Under Section 2925(6) of the Public Authorities Law, the ECIDA is required to prepare and approve an annual Investment Report. The Investment Report is to include: the investment guidelines (see below), the results of the annual independent investment audit (see below), a list of the total investment income received by the corporation and a list of the fees, commissions or other charges paid to each investment banker, broker, agent, dealer and advisor rendering investment associated services to the corporation since the last Investment Report.

The attached schedule details the corporation's investment income and related fees for the year ended December 31, 2025 and were approved by the ECIDA membership on March 25, 2026.

## **Investment Guidelines:**

In accordance with Section 2925 of the Public Authorities Law, the ECIDA is required to adopt Investment Guidelines which detail its operative policy and instructions to staff regarding the investing, monitoring and reporting of funds of the Agency. In addition, the ECIDA is subject to the deposit and investment restrictions contained in Sections 10 and 11 of the General Municipal Law.

The Investment Guidelines were approved by the ECIDA membership on March 25, 2026 and are posted on the ECIDA website at <http://www.ecidany.com/about-us-corporate-policies>. The Investment Guidelines are consistent with the prior Guidelines adopted on March 26, 2025.

## **Investment Audit:**

The auditors for the ECIDA have audited the corporation's compliance with the Investment Guidelines for Public Authorities. In their report dated March 12, 2026, Lumsden McCormick LLP indicated that the Agency complied, in all material respects, with these Investment Guidelines.

**Erie County Industrial Development Agency (ECIDA)**  
**Annual Investment Report**  
**For the year ended December 31, 2025**

| Account Type                            | Financial Institution | G/L Balance          |                      | G/L Balance 12/31/2025 | Interest Rate <sup>a</sup> Dec 2025 | Investment Income | Fees        | Restricted | Purpose   |
|---|-----------------------|----------------------|----------------------|------------------------|-------------------------------------|-------------------|-------------|------------|---|
|   |                       | 1/1/2025             | 12/31/2025           |                        |                                     |                   |             |            |   |
| <b>Deposit Accounts</b>                 |                       |                      |                      |                        |                                     |                   |             |            |   |
| 1 Checking                              | M&T Bank              | \$ 618,966           | \$ 942,002           |                        | 0.25%                               | \$ 2,057          | \$ -        |            | General ECIDA account   |
| 2 Savings                               | M&T Bank              | 2,132,705            | 2,053,531            |                        | 2.00%                               | 43,258            | -           |            | General ECIDA account   |
| 3 Checking                              | M&T Bank              | 11,790               | 11,848               |                        | 0.25%                               | 58                | -           | ✓          | ECIDA UDAG Fund account   |
| 4 Savings                               | M&T Bank              | 2,577,627            | 2,854,905            |                        | 2.00%                               | 88,595            | -           | ✓          | ECIDA UDAG Fund account   |
| 5 Checking                              | M&T Bank              | 241,139              | 279,919              |                        | 0.25%                               | 1,210             | -           | ✓          | Restricted account for Erie County shortline railroad related activities                  |
| 6 Savings                               | M&T Bank              | 39,318               | 40,989               |                        | 2.00%                               | 852               | -           | ✓          | Restricted account for Buffalo Brownfield Redevelopment Fund                              |
| 7 Savings                               | M&T Bank              | 680,012              | 742,050              |                        | 2.00%                               | 15,491            | -           | ✓          | Restricted account for North Youngmann Commerce Center & designated Erie County projects  |
| 8 Savings                               | M&T Bank              | 1,653,965            | 1,877,695            |                        | 2.00%                               | 38,072            | -           | ✓          | Restricted account for Infrastructure Improvements in the Main Street District            |
| 9 Savings                               | M&T Bank              | 1,008,787            | 257,849              |                        | 2.00%                               | 14,316            | -           | ✓          | Restricted account for Infrastructure Improvements in the Seneca Street Corridor District |
| 10 Savings                              | M&T Bank              | 1,365,072            | 2,076,464            |                        | 2.00%                               | 38,157            | -           | ✓          | Restricted account for infrastructure improvements in the Seneca One Tower District       |
| <b>Obligations of the United States</b> |                       |                      |                      |                        |                                     |                   |             |            |   |
| 11 U.S. Treasury Bills                  | Wilmington Trust      | 3,999,364            | 3,999,540            |                        | 3.50%                               | 166,340           | -           |            | ECIDA General Fund  |
| 12 U.S. Treasury Bills                  | Wilmington Trust      | 3,999,262            | 4,499,834            |                        | 3.45%                               | 178,311           | -           | ✓          | ECIDA UDAG Fund   |
| 13 U.S. Treasury Bills                  | Wilmington Trust      | -                    | -                    |                        | n/a                                 | -                 | -           | ✓          | Restricted account for Buffalo Brownfield Redevelopment Fund                              |
| 14 U.S. Treasury Bills                  | Wilmington Trust      | 999,567              | 1,000,122            |                        | 3.45%                               | 41,264            | -           | ✓          | Restricted account for North Youngmann Commerce Center & designated Erie County projects  |
| 15 U.S. Treasury Bills                  | Wilmington Trust      | 2,999,695            | 3,500,670            |                        | 3.75%                               | 129,689           | -           | ✓          | Restricted account for Infrastructure Improvements in the Main Street District            |
| 16 U.S. Treasury Bills                  | Wilmington Trust      | 2,499,415            | 1,000,476            |                        | 3.75%                               | 67,197            | -           | ✓          | Restricted account for Infrastructure Improvements in the Seneca Street Corridor District |
| 17 U.S. Treasury Bills                  | Wilmington Trust      | -                    | -                    |                        | n/a                                 | -                 | -           | ✓          | Restricted account for infrastructure improvements in the Seneca One Tower District       |
|   |                       | <b>\$ 24,826,683</b> | <b>\$ 25,137,894</b> |                        |                                     | <b>\$ 824,867</b> | <b>\$ -</b> |            |   |

**Notes:**

<sup>a</sup> Interest rate at December 31, 2025 and prior to the deduction of any fees.

To: ECIDA, RDC & ILDC Board of Directors  
From: Brenda McDuffie, Governance Committee Chair  
Date: March 18, 2026  
Re: Governance Committee Report

In accordance with its Committee Charter, the Governance Committee is required to “report its actions and recommendations to the Board at each regular meeting of the Board following a meeting of the Governance Committee and when otherwise requested by the Board”. This report is prepared to satisfy this requirement.

The ECIDA/RDC/ILDC Governance Committee met on March 18, 2026. Committee members present were Thomas Baines, Zachary Evans, Tyra Johnson, Ken Schoetz and David State. The following items were reviewed:

1) 2025 PAAA Annual Report

The Governance Committee reviewed the ECIDA/RDC/ILDC 2025 PAAA Annual Report. No changes were recommended. The PAAA Annual Report will be reviewed by the full Boards during the March 25, 2026 Board meetings.

2) Results of 2025 Performance Measurements

The Governance Committee met on January 29, 2026 to discuss the ECIDA/RDC/ILDC Mission Statement and 2025 Performance Measurements. The Committee did not recommend any changes to the document during the March 18 meeting. The results of the 2025 Performance Measurements will be reviewed by the Boards during the March 25, 2026 Board meetings.

3) Mission Statement and 2026 Performance Measurements

The Governance Committee met on January 29, 2026 to discuss the ECIDA/RDC/ILDC Mission Statement and 2026 Performance Measures. During this meeting the Committee provided input and made changes to certain metrics based on current economic conditions. No additional updates were recommended during the March 18, 2026 meeting. The 2026 Mission Statement & Performance Measures will be reviewed by the Boards during the March 25, 2026, Board meetings.

4) 2025 Board of Directors' Evaluation/Survey

The Governance Committee reviewed the summary sheets for the ECIDA, RDC, and ILDC Board surveys and discussed the importance of open dialogue and communication. The results will be reviewed with the Boards. The Governance Committee Chair will forward the summary sheets to the Authorities Budget Office (ABO) as required.

5) 2025 Governance Committee Self-Evaluation

The Governance Committee reviewed and approved the 2025 Governance Committee Self-Evaluation. The evaluation documents the activities of the Governance Committee during 2025.

6) ECIDA/RDC/ILDC Policies

The Governance Committee reviewed the following policies that are required to be re-adopted annually:

- Procurement Policy
- Property Disposition Guidelines

The Boards will be asked to re-adopt these policies during the March 25, 2026 Board meetings.

7) PARIS Report Update

The Governance Committee received an update on the status of the ABO's reporting requirements through the Public Authorities Reporting Information System (PARIS). The Agency is on track to complete the ECIDA, RDC, and ILDC PARIS reports on or before the March 31, 2026 deadline.

8) Board Member PAAA Training Update

The Governance Committee members present received an update on the status of the required ABO board member training. The Agency's Compliance Portfolio Manager tracks and forwards training opportunities to board members who have not had the required training and to those who have not had training within the last three years.

**Erie County Industrial Development Agency (ECIDA), Buffalo and Erie County Regional Development Corporation (RDC), and Buffalo and Erie County Industrial Land Development Corporation (ILDC)**

**2025 Governance Committee Self-Evaluation**

**Responsibilities of the Governance Committee:**

The core responsibilities of the Governance Committee, as mandated under Section 2824(7) of the New York Public Authorities Law, are set forth in the Bylaws and include: (i) keeping the Board informed of current best governance practices; (ii) reviewing corporate governance trends; (iii) updating the Agency’s corporate governance principles; and (iv) advising those responsible for appointing members to the Board on the skills and experiences necessary required of potential Board members.

| Governance Committee Self-Evaluation  | Yes                                 | No                       | Pending                  | Comments   |
|---|-------------------------------------|--------------------------|--------------------------|--|
| 1. Are the members of the Governance Committee appointed in accordance with the Bylaws and are individuals appointed to the Governance Committee knowledgeable, or have expressed a willingness to become knowledgeable, in matters pertaining to governance?   | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |  |
| 2. Is each member of the Governance Committee an “independent member” within the meaning of, and to the extent required by, Section 2825 of the New York Public Authorities Law, as amended from time to time? Did Governance Committee members, who are members of the Agency, comply with the conflict of interest provisions applicable to public officers under Article 18 of the New York General Municipal Law? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |  |
| 3. Did the Governance Committee meet a minimum of once (1) each calendar year?  | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | The Governance Committee met on 1/29/25 and 3/19/25. |
| 4. Were meeting notices and agendas prepared for each meeting and provided to Governance Committee members by electronic or regular mail at least five (5) days in advance of the scheduled meeting? Were minutes of all meetings recorded by the Secretary or any Assistant Secretary of the Agency? Did all meetings comply with the requirements of the Open Meetings Law?   | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |  |
| 5. Did the Governance Committee develop the Agency’s governance practices, which should address transparency, independence, accountability, fiduciary responsibilities and management oversight?  | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | See Questions #6-#9 below.                           |

| Governance Committee Self-Evaluation  | Yes                                 | No                       | Pending                  | Comments   |
|---|-------------------------------------|--------------------------|--------------------------|--|
| 6. Did the Governance Committee develop a statement of the competencies and personal attributes required of Board members to assist those authorized to appoint members to the Board in identifying qualified individuals (it being acknowledged that membership in the Agency is determined pursuant to Section 891-a of the General Municipal Law)? | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | A Statement of the Competencies and Personal Attributes is posted on the ECIDA website. It was approved by the ECIDA Board of Directors on 2/16/10. Revisions to this document were not necessary in 2025.   |
| 7. Did the Governance Committee develop and recommend to the Board any revisions to the number and/or structure of Board committees?  | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | No additional committees were recommended by the Governance Committee in 2025.   |
| 8. Did the Governance Committee develop and provide recommendations to the Board regarding Board member education, including new member orientation and regularly scheduled Board member training to be obtained from state-approved trainers as required under Section 2824(2) of the New York Public Authorities Law?                               | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <p>New Board members attend an orientation session hosted by ECIDA staff and are provided with a New Member Orientation Manual.</p> <p>As of 12/31/2025, there were two (2) vacancies on the ECIDA &amp; RDC Board. In total, 16 of the 19 ECIDA &amp; RDC Board Members and 6 of the 7 ILDC Board Members have completed the PAAA required training. In 2025, there were eight (8) new board members. Board members have 12 months from the date of their appointment to complete the required training. All Board members who have not received the training received notifications throughout the year regarding PAAA training session dates.</p> |
| 9. Did the Governance Committee develop, review and recommend to the Board the adoption and/or revisions to the following:<br>(i) the Agency's Code of Ethics.<br>(ii) written policies regarding conflicts of interest.  | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | i) & ii) are included in the ECIDA Code of Ethics and Conflict of Interest Policy. The Code was most recently re-adopted by the Board of Directors during its meeting on 3/27/24. Revisions to this policy were not necessary in 2025.   |

| Governance Committee Self-Evaluation  | Yes                                 | No                       | Pending                  | Comments   |
|---|-------------------------------------|--------------------------|--------------------------|--|
| (iii) written policies regarding the protection of whistleblowers from retaliation.   |                                     |                          |                          | (iii) In 2012, the Governance Committee approved a formal Whistleblower Policy. The Policy was most recently re-adopted by the Board of Directors during its meeting on 3/27/24. Revisions to this policy were not necessary in 2025.  |
| (iv) equal opportunity and affirmative action policies.   |                                     |                          |                          | iv) The ECIDA's EEO policy is included in the Employee Handbook and the Procurement Policy.  |
| (v) written policies regarding procurement of goods and services, including policies relating to the disclosure of persons who attempt to influence the Agency's procurement process.   |                                     |                          |                          | v) The ECIDA Procurement Policy was most recently re-adopted by the Board of Directors during its meeting on 3/27/24. Revisions to this policy were not necessary in 2025.   |
| <p>(vi) written policies regarding the disposition of real and personal property and the acquisition of property.</p> <p>(vii) committee charters, including this Charter.</p> <p>(viii) any other policies or documents relating to the governance of the Agency, including rules and procedures for conducting the business of the Agency's Board, including the Agency's Bylaws. The Governance Committee will oversee the implementation and effectiveness of the Bylaws and other governance documents and recommend modifications to the Board as necessary or appropriate.</p> |                                     |                          |                          | <p>vi) The ECIDA Property Disposition Guidelines were re-adopted by the full Board during its meeting on 3/26/25.</p> <p>vii) The ECIDA Governance Committee Charter was mostly recently re-adopted by the Board of Directors during its meeting on 3/27/24. Revisions to the Charter were not necessary in 2025.</p> <p>viii) The Governance Committee did not approve any additional policies in 2025.</p> |
| 10. Did the Governance Committee:   | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | The Committee reports its actions and recommendations to the Board following each meeting.   |

| Governance Committee Self-Evaluation   | Yes | No | Pending | Comments   |
|--|-----|----|---------|--|
| <p>(i) report its actions and recommendations to the Board at each regular meeting of the Board following a meeting of the Governance Committee and when otherwise requested by the Board.</p> <p>(ii) report to the Board, at least annually, regarding any proposed changes to this Charter.</p> <p>(iii) provide a self-evaluation of the Governance Committee's functions to the Board on an annual basis.</p> |     |    |         | <p>i) The Committee regularly monitors legal requirements and best practices when conducting these reviews. If no updates or changes are recommended because of that review, reapproval by the Board is not required. The following policies were re-adopted by the full Board of Directors on 3/26/25: (a) Airborne Infectious Disease Policy, (b) Freedom of Information Law (FOIL) Policy, (c) Investment and Deposit Policy, (d) Property Disposition Guidelines, (e) Record Retention and Disposition Policy, (f) Sexual Harassment Policy.</p> <p>ii) No proposed changes to the Charter in 2025.</p> <p>iii) On 3/19/25, the Committee performed a Self-Evaluation for the calendar year 2024 and provided a status report to the Board on 3/26/25.</p> |

| Governance Committee Self-Evaluation   |
|--|
| <i>Other Self-Evaluation Notes</i>   |
| <ol style="list-style-type: none"> <li>During its 1/29/25 and 3/19/25 meetings, the Governance Committee, ECIDA staff and counsel discussed the results of ECIDA's 2024 Performance Measures, as well as the ECIDA Mission Statement and 2025 Performance Measures.</li> <li>During its 3/19/25 meeting, the Governance Committee reviewed the 2024 Board evaluation for the ECIDA, RDC, and ILDC boards. The Committee discussed the results of these evaluations during the 3/26/25 Board meeting.</li> <li>The Governance Committee re-adopted the following ECIDA/RDC/ILDC Policies items during its meeting on 3/19/25: (a) Airborne Infectious Disease Policy, (b) Freedom of Information Law (FOIL) Policy, (c) Investment and Deposit Policy, (d) Property Disposition Guidelines, (e) Record Retention and Disposition Policy, (f) Sexual Harassment Policy. The policies were approved by the full Board during its 3/26/25 meeting.</li> <li>During its 3/19/25 meeting, the ECIDA staff provided the Governance Committee with a status update on the ECIDA's Public Authority Reporting Information System (PARIS) report and board member PAAA training update.</li> </ol> |

**Erie County Industrial Development Agency (ECIDA) Confidential Evaluation of Board Performance**

| <b>Criteria</b>   | <b>Agree</b> | <b>Somewhat Agree</b> | <b>Somewhat Disagree</b> | <b>Disagree</b> |
|---|--------------|-----------------------|--------------------------|-----------------|
| Board members have a shared understanding of the mission and purpose of the Authority.  | 13           |                       |                          |                 |
| The policies, practices and decisions of the Board are always consistent with this mission.   | 12           | 1                     |                          |                 |
| Board members comprehend their role and fiduciary responsibilities and hold themselves and each other to these principles.  | 13           |                       |                          |                 |
| The Board has adopted policies, by-laws, and practices for the effective governance, management and operations of the Authority and reviews these annually.             | 13           |                       |                          |                 |
| The Board sets clear and measurable performance goals for the Authority that contribute to accomplishing its mission.   | 11           | 2                     |                          |                 |
| The decisions made by Board members are arrived at through independent judgment and deliberation, free of political influence, pressure or self-interest.               | 12           |                       | 1                        |                 |
| Individual Board members communicate effectively with executive staff so as to be well informed on the status of all important issues.                                  | 11           | 2                     |                          |                 |
| Board members are knowledgeable about the Authority's programs, financial statements, reporting requirements, and other transactions.                                   | 11           | 2                     |                          |                 |
| The Board meets to review and approve all documents and reports prior to public release and is confident that the information being presented is accurate and complete. | 13           |                       |                          |                 |
| The Board knows the statutory obligations of the Authority and if the Authority is in compliance with state law.  | 13           |                       |                          |                 |
| Board and committee meetings facilitate open, deliberate and thorough discussion, and the active participation of members.  | 12           | 1                     |                          |                 |
| Board members have sufficient opportunity to research, discuss, question and prepare before decisions are made and votes taken.   | 13           |                       |                          |                 |
| Individual Board members feel empowered to delay votes, defer agenda items, or table actions if they feel additional information or discussion is required.             | 9            | 3                     | 1                        |                 |
| The Board exercises appropriate oversight of the CEO and other executive staff, including setting performance expectations and reviewing performance annually.          | 12           | 1                     |                          |                 |
| The Board has identified the areas of most risk to the Authority and works with management to implement risk mitigation strategies before problems occur.               | 12           | 1                     |                          |                 |
| Board members demonstrate leadership and vision and work respectfully with each other.  | 13           |                       |                          |                 |

**Authority:** Erie County Industrial Development Agency (ECIDA)

**Date Completed:** March 9, 2026

## 2025 Summary Results of Confidential Evaluation of Board Performance

| Criteria  | Comments  |
|---|---|
| Board members have a shared understanding of the mission and purpose of the Authority.  | Through Board Orientations and meeting attendance and participation members have many opportunities to understand the mission and purpose of the Authority.   |
| The policies, practices and decisions of the Board are always consistent with this mission.   |   |
| Board members comprehend their role and fiduciary responsibilities and hold themselves and each other to these principles.  |   |
| The Board has adopted policies, by-laws, and practices for the effective governance, management and operations of the Authority and reviews these annually.             | The annual review of policies, by-laws, policies and outcomes is very thorough.   |
| The Board sets clear and measurable performance goals for the Authority that contribute to accomplishing its mission.   | <p>(1) ECIDA/RDC: I am unaware of specific goals, although I feel the Authority does an excellent job of accomplishing its mission.</p> <p>(2) The mission that ILDC wants to accomplish is clear, but I partially agree that the ILDC sets "clear and measurable performance goals."</p> |
| The decisions made by Board members are arrived at through independent judgment and deliberation, free of political influence, pressure or self-interest.               |   |
| Individual Board members communicate effectively with executive staff so as to be well informed on the status of all important issues.                                  | Our Executive team and staff are transparent and always make time to meet/respond to board members individually and as a board.   |
| Board members are knowledgeable about the Authority's programs, financial statements, reporting requirements, and other transactions.                                   | Learning curve for all, opportunity to learn more available.  |
| The Board meets to review and approve all documents and reports prior to public release and is confident that the information being presented is accurate and complete. | There is a review process that allows full participation and for each board member to ask questions, do a deeper dive into matters that the board addresses.  |
| The Board knows the statutory obligations of the Authority and if the Authority is in compliance with state law.  |   |
| Board and committee meetings facilitate open, deliberate and thorough discussion, and the active participation of members.  | <p>(1) Meetings move quickly and some might feel unsure about speaking up.</p> <p>(2) At board and committee meeting open discussion and dialogue is encouraged and welcomed.</p>   |
| Board members have sufficient opportunity to research, discuss, question and prepare before decisions are made and votes taken.   | All materials and information is provided in advance of committee and board meetings so members have ample time to review and, if needed, discuss with staff or board/committee chair(s).   |
| Individual Board members feel empowered to delay votes, defer agenda items, or table actions if they feel additional information or discussion is required.             | I am very comfortable but notice as a rule of all boards a reluctance to cause problems.  |
| The Board exercises appropriate oversight of the CEO and other executive staff, including setting performance expectations and reviewing performance annually.          | Does the Board get involved in performance reviews? I was unaware.  |
| The Board has identified the areas of most risk to the Authority and works with management to implement risk mitigation strategies before problems occur.               |   |

| Criteria   | Comments  |
|--|---|
| Board members demonstrate leadership and vision and work respectfully with each other. | (1) Very cooperative and respectful.<br><br>(2) The board shows respect even when there is disagreement and/or different perspectives shared. |

**Authority:** (1) Erie County Industrial Development Agency (ECIDA)  
 (2) Buffalo and Erie County Regional Development Corporation (RDC)  
 (3) Buffalo & Erie County Industrial Land Development Corporation (ILDC)

**Date Completed:** March 9, 2026





## Item 4.7

To: ECIDA & RDC Boards of Directors  
From: Mollie Profic, CFO  
Jerry Manhard, Chief Lending Officer  
Re: Board Certification of CARES Act Revolving Loan Fund Plan  
Date: March 25, 2026

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In 2020 the Erie County Industrial Development Agency (ECIDA) received an award of five million, four hundred fifteen thousand, six hundred ninety-four U.S. dollars (\$5,415,694) from the U.S. Department of Commerce, Economic Development Administration (EDA) Coronavirus Aid, Relief, and Economic Security (CARES) Act Revolving Loan Fund Supplemental Disaster Recovery and Resiliency Awards. Five million U.S. dollars (\$5 million) was used to establish the CARES Act Revolving Loan Fund (RLF), with the remaining four hundred fifteen thousand, six hundred ninety-four U.S. dollars (\$415,694) earmarked for administrative costs. The purpose of establishing the RLF was to alleviate sudden and severe economic dislocation caused by the COVID-19 pandemic, to provide permanent resources to support economic resiliency, and to further the long-term economic adjustment objectives of the region served by this award.

As part of the required reporting to the EDA in connection with the operations of the RLF administered by the Buffalo & Erie County Regional Development Corporation (RDC), the ECIDA must certify that the RLF is being operated in accordance with the policies and procedures contained in the Loan Administration Plan (LAP), also referred to as the RLF Plan. The initial LAP for the CARES Act RLF was approved on March 2, 2021, in connection with the grant award. Under the terms of the award conditions, the LAP will be updated and approved by EDA every five years.

To comply with the terms of the CARES Act Award, the RDC submitted an updated LAP in February 2026 to the EDA to offer greater flexibility, meet the needs of the business community, and to achieve the long-term objectives of the loan fund. The original terms of the CARES Act reflected the EDA's urgency to disburse loan funds to businesses at that time and were not sustainable in meeting the RLF's lending goals. Some of the more significant changes made to the CARES Act LAP include:

- Increase the loan amounts offered to \$20,000 - \$1,250,000.
- Set the interest rate to mirror RDC's Legacy RLF, currently at 4%. Rate is set semi-annually by ECIDA staff.
- MWBE and Veteran loans are eligible for up to a 2% interest discount. Minimum interest rate for all loans is 4%.
- Extended loan terms of up to 10 years to offer lower monthly payment options.

The CARES Act RLF is currently in the revolving phase of the award, with 33 loans approved and 26 outstanding. As these loans are repaid, the principal and interest will be added back to the fund to be re-lent out in accordance with the LAP. As of December 31, 2025, three loans have been fully repaid, and two loans were written off as uncollectible.

Key components of the LAP include borrower eligibility, loan size, interest rate, and loan terms. Many of the requirements of the LAP overlap with the Federal regulations under Title 2 of the U.S. *Code of Federal Regulations* Part 200 and are tested as part of the Single Audit performed annually. The testing performed as part of the Single Audit for the year ended December 31, 2025, yielded an unmodified (clean) opinion and did not yield any audit findings.

**Action:**

Requesting approval of the attached resolution certifying that the CARES Act Revolving Loan Fund is operating in accordance with the approved Loan Administration Plan.

**ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

**CARES ACT REVOLVING LOAN FUND ANNUAL RESOLUTION**

The meeting of the Erie County Industrial Development Agency was convened on March 25, 2026 at 12:00 p.m.

The following resolution was duly offered and seconded, to wit:

**RESOLUTION OF THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY (THE "AGENCY") IN CONNECTION WITH AN ANNUAL CERTIFICATION TO BE MADE UNDER THE STANDARD TERMS AND CONDITIONS AND ADMINISTRATIVE MANUAL REQUIREMENTS OF THE FEDERAL ECONOMIC DEVELOPMENT ADMINISTRATION**

**WHEREAS**, the Buffalo and Erie County Regional Development Corporation (the "RDC") was incorporated as an affiliate of the Erie County Industrial Development Agency (the "Agency") for the purpose of encouraging the retention and expansion of existing companies as well as the attraction of new companies to target areas of Erie County using the resources from various Revolving Loan Funds to make direct loans to individual companies; and

**WHEREAS**, the Agency received an award of \$5,415,694 from the U.S. Department of Commerce, Economic Development Administration (the "EDA") Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") Revolving Loan Fund Supplemental Disaster Recovery and Resiliency Awards (the "CARES Act Award") and related thereto, \$5,000,000 million was used to establish the CARES Act Revolving Loan Fund (the "RLF"), with the remaining \$415,694 earmarked for administrative costs; and

**WHEREAS**, the purpose of establishing the RLF was to alleviate sudden and severe economic dislocation caused by the COVID-19 pandemic, to provide permanent resources to support economic resiliency, and to further the long-term economic adjustment objectives of the region served by the CARES Act Award; and

**WHEREAS**, as part of the required reporting to the EDA in connection with the operations of the RLF administered by the RDC, the Agency must certify that the RLF is being operated in accordance with the policies and procedures contained in the Loan Administration Plan (the "LAP"), also referred to as the RLF Plan; and

**WHEREAS** the initial LAP for the CARES Act RLF was approved on March 2, 2021, in connection with the CARES Act Award, and under the terms of the award conditions, the LAP will be updated and approved by EDA every five (5) years; and

**WHEREAS**, to comply with the terms of the CARES Act Award, the RDC submitted an updated LAP in February, 2026 to the EDA to offer greater flexibility, meet the needs of the business community, and to achieve the long-term objectives of the RLF, and incorporating changes including (i) increases to the loan amounts offered to \$20,000 - \$1,250,000, (ii) setting

interest rates to mirror the RDC's Legacy RLF, (iii) two percent (2%) interest rate discounts for qualifying MWBE and Veteran loans, with a minimum interest rate for all loans being four percent (4%), and (iv) extended loan terms of up to ten (10) years to offer lower monthly payment options (the "Updated LAP"); and

**WHEREAS**, the CARES Act RLF is currently in the revolving phase of the CARES Act Award, with thirty-three (33) loans approved and twenty-six (26) loans outstanding, and as these loans are repaid, the principal and interest will be added back to the RLF and be lent out again in accordance with the LAP; and

**WHEREAS**, as of December 31, 2025, three (3) loans have been fully repaid, and two (2) loans were written off as uncollectible; and

**WHEREAS**, procedures were conducted on a sample of loans in the RLF portfolio by Lumsden & McCormick, LLP as part of the audit requirements of Title 2 *U.S. Code of Federal Regulations Part 200 Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* to ensure RDC's compliance with LAP as set forth by the EDA, and such procedures yielded an unmodified (clean) opinion and did not yield any audit findings; and

**WHEREAS**, the Standard Terms and Conditions and Administrative Manual Requirements of the EDA require the RLF Board to provide annual certification that the RDC and the Grant Recipient's governing body, the Agency, have reviewed the RLF and have determined that the RLF is being operated in accordance with the policies and procedures contained in the LAP, and that the loan portfolio meets the standards contained therein.

**NOW, THEREFORE, BE IT RESOLVED BY THE ERIE COUNTY INDUSTRIAL DEVELOPMENT AGENCY AS FOLLOWS:**

Section 1. To the best knowledge and belief of the members of the Agency and with the disclosures provided above, the RLF is being operated in accordance with the policies and procedures contained in the LAP, and the loan portfolio meets the standards contained therein.

Section 2. The Chair or Vice Chair, President/Chief Executive Officer, the Treasurer/Chief Financial Officer, the Vice President, and/or Assistant Treasurer of the Agency are hereby authorized to execute all necessary documents to make the required annual certification to the EDA including the notations as listed above.

Section 3. This resolution shall take effect immediately.

Dated: March 25, 2026