



**Buffalo and Erie County Industrial Land Development Corporation  
Meeting of the Membership  
March 25, 2026 At 12:30 p.m.  
ECIDA Offices  
95 Perry Street, 4<sup>th</sup> Floor Conference Room  
Buffalo, New York 14203**

**1.0 Call to Order**

**2.0 Approval of Minutes**

- 2.1 Approval of the January 28, 2026 Meeting of the Membership Minutes (Action Item) (Pages 2-3)

**3.0 Reports / Action Items / Information Items:**

- 3.1 Financial Report (Informational) (Pages 4-7)  
3.2 Finance & Audit Committee Update (Informational) (Pages 8-9)  
    a) Committee Self-Evaluation (Informational) (Pages 10-15)  
3.3 2025 - Audited Financial Statements (Action Item) (Pages 16-42)  
3.4 2025 – Investment Report (Action Item) (Pages 43-45)  
3.5 Governance Committee Update (Informational) (Pages 46-47)  
    a) Committee Self-Evaluation (Informational) (Pages 48-51)  
    b) Board of Directors Evaluation/Survey (Informational) (Page 52-54)  
3.6 Loan Status Report (Informational) (Page 55)

**4.0 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)

**5.0 Management Team Reports:**

- 5.1 2025 Year in Review

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

**MINUTES OF THE MEETING  
OF THE  
BOARD OF DIRECTORS  
OF THE  
BUFFALO AND ERIE COUNTY INDUSTRIAL  
LAND DEVELOPMENT CORPORATION  
(ILDC)**

- DATE AND PLACE:** January 28, 2026, at the Erie County Industrial Development Agency, 95 Perry Street, 4<sup>th</sup> Floor Conference Room, Buffalo, New York 14203
- PRESENT:** Grace Bogdanove, Daniel Castle, Zaque Evans, Hon. Timothy Meyers, Hon. Mark C. Poloncarz and Hon. Taisha St. Jean Tard
- EXCUSED:** Hon. Sean Ryan
- 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; Lori Szewczyk, Director of Grants; Soma Hawramee, Compliance Portfolio Manager; Michelle Moore, Compliance Associate; Talia Johnson-Huff, Project Manager and Robert Murray, Esq., General Counsel/Harris Beach Murtha
- GUESTS:** Jonathan Epstein on behalf of the Buffalo News and Nicholas Fiume on behalf of D’Youville University

There being a quorum present at 12:32 p.m., the Meeting of the Board of Directors of the Buffalo and Erie County Industrial Land Development Corporation (the “ILDC”) was called to order by Chair Poloncarz.

**MINUTES**

Ms. St. Jean Tard moved, and Mr. Meyers seconded, to approve of the December 17, 2025 minutes. Mr. Poloncarz called for the vote, and the minutes were unanimously approved.

**REPORTS / ACTION ITEMS / INFORMATION ITEMS**

Financial & Audit Committee Update. Ms. Profic updated members on the most recent Finance & Audit Committee meeting that consisted of Lumsden McCormick’s audit plan presentation and the committee’s review/recommendation related to the ILDC D’Youville Bond issuance.

D'Youville University Bond. Ms. O'Keefe presented the ILDC Taxable and Tax-Exempt Bond Financing modification proposal, and reviewed the University's need and request to increase that taxable portion of the originally approved bond issuance. General discussion ensued.

Mr. Meyers moved, and Mr. Evans seconded to approve the taxable and tax-exempt bond issuance modification request from D'Youville University. Mr. Poloncarz then called for the vote and the following resolution was unanimously approved:

RESOLUTION SUPPLEMENTING THE BOND RESOLUTION ADOPTED BY BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION (THE "ISSUER") ON SEPTEMBER 24, 2025 AUTHORIZING THE ISSUANCE AND SALE BY THE ISSUER OF ITS TAX-EXEMPT REVENUE BONDS (DYU-COM LLC PROJECT) AND TAXABLE REVENUE BONDS (DYU-COM LLC PROJECT) AND THE EXECUTION OF RELATED DOCUMENTS.

ILDC Loan Status Report. Mr. Manhard provided this report to Board members. General discussion ensued. Mr. Poloncarz directed that the report be received and filed.

There being no further business to discuss, Mr. Poloncarz adjourned the meeting at 12:47 p.m.

Dated: January 28, 2026

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Elizabeth A. O'Keefe, Secretary

**Industrial Land Development Corp.**

**Financial Statements**

As of February 28, 2026

## INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")

### Balance Sheet

February 28, 2026

	February 2026	January 2026	December 2025
<b>ASSETS:</b>			
Restricted Cash *	\$ 4,579,581	\$ 4,667,771	\$ 4,641,604
Grants Receivable	5,150,000	5,150,000	5,212,106
Loans Receivable, net	281,968	292,679	285,728
Prepaid Acquisition Costs	710,128	710,128	710,128
Total Current Assets	10,725,177	10,820,671	10,849,752
Capital Assets	5,937,554	5,937,554	5,937,554
Total Assets	\$ 16,662,731	\$ 16,758,225	\$ 16,787,306
<b>LIABILITIES &amp; NET ASSETS:</b>			
Accounts Payable	\$ 1,500	\$ 788	\$ 179,048
Due to/(from) ECIDA	3,825,247	3,811,061	3,629,513
Other Liabilities	5,610,163	5,612,538	5,614,907
Total Liabilities	9,436,909	9,424,387	9,423,468
Restricted Fund Balance	7,225,822	7,333,838	7,363,838
Total Liabilities & Net Assets	\$ 16,662,731	\$ 16,758,225	\$ 16,787,306

<b>Loan Portfolio Summary:</b>	February 2026	January 2026	December 2025
# of Loans	44	44	43

\* Cash is invested in interest bearing accounts at M&T Bank. The maximum FDIC insured amount is \$250,000 with the remainder collateralized with government obligations by the financial institution.

**INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")**

**Income Statement**  
Month of February 2026

	<b>Actual vs. Budget</b>		
	<b>Actual</b>	<b>Budget</b>	<b>Variance</b>
<b>REVENUES:</b>			
Interest Income - Loans	\$ 1,350	\$ 1,300	\$ 50
Grant Income - Microloan Program	-	18,500	(18,500)
Other Income	2,417	2,700	(283)
Total Revenues	<u>3,766</u>	<u>87,500</u>	<u>(83,734)</u>
<b>EXPENSES:</b>			
Management Fee - ECIDA	\$ 13,500	\$ 21,833	\$ (8,333)
Professional Services	1,021	6,100	(5,079)
General Office Expenses	0	2,100	(2,100)
Other Expenses	20	1,400	(1,380)
Total Expenses	<u>14,541</u>	<u>31,433</u>	<u>(16,892)</u>
<b>SPECIAL PROJECT GRANTS:</b>			
Industrial Land Park - ESD	-	195,900	(195,900)
Other grant revenue	-	83,300	(83,300)
Industrial Land Park costs	(94,100)	(201,700)	107,600
Angola Ag Park costs	(3,278)	(85,400)	82,122
Total Special Project Grants	<u>(97,378)</u>	<u>(55,800)</u>	<u>(41,578)</u>
<b>NET OPERATING INCOME/(LOSS):</b>	<u>(108,153)</u>	267	<u>(108,420)</u>
<b>NONOPERATING REVENUE:</b>			
Interest Income	137	300	(163)
Total Nonoperating Revenue	<u>137</u>	<u>300</u>	<u>(163)</u>
<b>NET INCOME/(LOSS):</b>	<u>\$ (108,016)</u>	<u>\$ 567</u>	<u>\$ (108,582)</u>

\* Represents an allocation of salary and benefit costs from the ECIDA based on time charged to ILDC. The amount booked is currently based on 2026 budget.

**INDUSTRIAL LAND DEVELOPMENT CORPORATION ("ILDC")**

**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>						
Interest Income - Loans	\$ 2,814	\$ 2,700	\$ 114	\$ 2,814	\$ 3,671	\$ (856)
Grant Income - Microloan Program	-	37,000	(37,000)	-	-	-
Other Income	4,833	5,400	(567)	4,833	3,500	1,333
<b>Total Revenues</b>	<b>7,647</b>	<b>45,100</b>	<b>(37,453)</b>	<b>7,647</b>	<b>7,171</b>	<b>477</b>
<b>EXPENSES:</b>						
Management Fee - ECIDA	\$ 27,000	43,700	(16,700)	\$ 27,000	\$ 29,000	\$ (2,000)
Provision for Loan Losses	17,500	8,750	8,750	17,500	(10,975)	28,475
Professional Services	1,021	12,300	(11,279)	1,021	-	1,021
General Office Expenses	600	4,200	(3,600)	600	521	79
Other Expenses	(80)	2,800	(2,880)	(80)	(237)	157
<b>Total Expenses</b>	<b>46,041</b>	<b>71,750</b>	<b>(25,709)</b>	<b>46,041</b>	<b>18,309</b>	<b>27,732</b>
<b>SPECIAL PROJECT GRANTS:</b>						
Industrial Land Park - ESD	-	391,900	(391,900)	-	21,805	(21,805)
Other grant revenue	-	166,700	(166,700)	-	41,450	(41,450)
Industrial Land Park grant reimbursement	-	(95,800)	95,800	-	-	-
Industrial Land Park costs	(94,139)	(403,400)	309,261	(94,139)	(101,350)	7,211
Angola Ag Park costs	(5,781)	(170,800)	165,019	(5,781)	(2,836)	(2,946)
<b>Total Special Project Grants</b>	<b>(99,920)</b>	<b>(111,400)</b>	<b>11,480</b>	<b>(99,920)</b>	<b>17,787</b>	<b>(117,708)</b>
<b>NET OPERATING INCOME/(LOSS):</b>	<b>(138,314)</b>	<b>(138,050)</b>	<b>(264)</b>	<b>(138,314)</b>	<b>6,649</b>	<b>(144,963)</b>
<b>NONOPERATING REVENUE:</b>						
Interest Income	298	500	(202)	298	527	(229)
<b>Total Nonoperating Revenue</b>	<b>298</b>	<b>500</b>	<b>(202)</b>	<b>298</b>	<b>527</b>	<b>(229)</b>
<b>NET INCOME/(LOSS):</b>	<b>\$ (138,016)</b>	<b>\$ (137,550)</b>	<b>\$ (466)</b>	<b>\$ (138,016)</b>	<b>\$ 7,176</b>	<b>\$ (145,192)</b>

\* Represents an allocation of salary and benefit costs from the ECIDA based on time charged to ILDC. The amount booked is currently based on 2026 budget.



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 DeHoney, 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 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"/>	<p>See Questions #6-#10 below.</p>

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.

# DRAFT

## 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.

# DRAFT

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.

**DRAFT**

**BUFFALO AND ERIE COUNTY INDUSTRIAL  
LAND DEVELOPMENT CORPORATION  
(A Component Unit of County of Erie, New York)**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2025**

# DRAFT

BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION  
(A Component Unit of County of Erie, New York)

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## Table of Contents

December 31, 2025

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Independent Auditors' Report

Management's Discussion and Analysis (Unaudited)

### Financial Statements

Balance Sheets

Statements of Revenues, Expenses, and Changes in Net Position

Statements of Cash Flows

Notes to Financial Statements

### Supplementary Information

Combining Balance Sheet

Combining Schedule of Revenue, Expenses, and Changes in Net Position

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*

Independent Auditors' Report on Compliance with Section 2925(3)(f) of the New York State Public Authorities Law

# DRAFT

## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
Buffalo and Erie County Industrial  
Land Development Corporation

### Report on the Audit of the Financial Statements

#### **Opinion**

We have audited the financial statements of Buffalo and Erie County Industrial Land Development Corporation (ILDC), a business-type activity and a component unit of the County of Erie, New York, as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise ILDC'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 ILDC 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 ILDC, 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 these 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 ILDC'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 ILDC'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 ILDC'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.

# DRAFT

## ***Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that comprise ILDC'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 ILDC'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 ILDC'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 ILDC's internal control over financial reporting and compliance.

March 12, 2026

# DRAFT

## BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION (A Component Unit of County of Erie, New York)

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

December 31, 2025

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Buffalo and Erie County Industrial Land Development Corporation (ILDC) was incorporated for the purpose of participating in the acquisition and development of industrial sites and to provide financial assistance for the acquisition or renovation of fixed assets by industrial companies locating or expanding in the County of Erie, New York (the County). ILDC is considered a component unit of the County. ILDC also manages a microenterprise revolving loan program on behalf of the County.

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

We present the attached overview and analysis of the financial activities of ILDC 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 ILDC's audited financial statements.

In 2025 the ILDC continued redevelopment work at Renaissance Commerce Park in Lackawanna, New York, and the Erie County Agribusiness Park in Evans, New York. Design work was completed for two new roads at Renaissance Commerce Park and a contractor was awarded the bid for road construction. Design and engineering was also completed for a railroad relocation project, which will make a significant parcel available for redevelopment. The first phase of access road was constructed at the Erie County Agribusiness Park. Erie County continued to market the Microenterprise Loan/Grant Program.

### 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 ILDC owns (assets and deferred outflows of resources) and what ILDC owes (liabilities and deferred inflows of resources). ILDC's assets and deferred outflows of resources less its liabilities and deferred inflows of resources (net position) can be one way to measure ILDC's financial position. Over time, increases or decreases in ILDC'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 – These statements report ILDC'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 ILDC's operating results for the year.
- 3) Statements of Cash Flows – These statements report ILDC's cash flows from operating, capital and related financing, and investing activities, if any.

### Financial Highlights

- ILDC's net position decreased by 1% from \$7,407,000 in 2024 to \$7,364,000 in 2025.
- ILDC experienced a decrease in net position of \$43,000 in 2025 compared to \$179,000 in 2024.
- Operating revenues increased 21% from \$491,000 in 2024 to \$596,000 in 2025.
- Operating expenses increased 81% from \$560,000 in 2024 to \$1,011,000 in 2025.

# DRAFT

## Condensed Comparative Financial Statements:

### Balance Sheets at December 31:

<i>in thousands</i>	2025	2024	\$ Change	% Change	2023
<b>Assets</b>					
Cash	\$ 4,653	\$ 3,684	\$ 969	26%	\$ 418
Grants receivable	5,212	6,414	(1,202)	(19%)	9,191
Loans receivable, net	274	352	(78)	(22%)	485
Capital assets, net	170	175	(5)	(3%)	179
Land held for sale	6,478	6,472	6	0%	6,875
<b>Total assets</b>	<b>\$ 16,787</b>	<b>\$ 17,097</b>	<b>\$ (310)</b>	<b>(2%)</b>	<b>\$ 17,148</b>
<b>Liabilities</b>					
Accounts payable	\$ 180	\$ 67	\$ 113	169%	\$ 880
Due to affiliate	3,629	4,250	(621)	(15%)	4,519
Unearned revenue	5,614	5,373	241	4%	4,163
<b>Total liabilities</b>	<b>9,423</b>	<b>9,690</b>	<b>(267)</b>	<b>(3%)</b>	<b>9,562</b>
<b>Net position</b>					
Net investment in capital assets	170	175	(5)	(3%)	179
Restricted	490	518	(28)	(5%)	540
Unrestricted	6,704	6,714	(10)	(0%)	6,867
<b>Total net position</b>	<b>7,364</b>	<b>7,407</b>	<b>(43)</b>	<b>(1%)</b>	<b>7,586</b>
<b>Total liabilities and net position</b>	<b>\$ 16,787</b>	<b>\$ 17,097</b>	<b>\$ (310)</b>	<b>(2%)</b>	<b>\$ 17,148</b>

ILDC's cash balance increased 26% or \$969,000 in 2025, after an increase of 781% or \$3,266,000 in 2024. An \$807,000 increase in a grant-related bank account drove the overall increase due to the receipt of additional funds as a reimbursement from 2024 disbursements. The 2024 increase was due to a \$2,900,000 balance the same grant-related bank account at the end of 2024 that did not exist in 2023, along with cash inflows of \$549,000 from a land sale in December.

Grants receivable decreased 19% or \$1,202,000 due to grant receipts from Empire State Development, National Grid, and Erie County during the year and coincides with the increase in cash. There was one new grant of \$2,400,000 recognized as grants receivable and unearned revenue in 2025. In 2024, there was a decrease of 30% or \$2,777,000 due mainly to receipts from Empire State Development and the U.S. Department of Commerce Economic Development Administration.

Loans receivable relate to the microenterprise revolving loan fund, known as the Erie County Business Development Fund. Net loans receivable decreased \$78,000 from 2024 to 2025. There were four new loan for \$105,500 and principal payments of \$136,000 received in 2025, combined with a provision for uncollectible loan expense of \$48,000. The uncollectible loan expense is largely due to loans that are partially forgiven as certain requirements are met. There was a \$133,000 decrease in net loans receivable from 2023 to 2024.

Capital assets consist mainly of an entrance sign at Renaissance Commerce Park in Lackawanna, New York. The decreases in net capital assets in 2025 and 2024 are reflective of depreciation.

Land held for sale consists of 143 acres of land at Renaissance Commerce Park in Lackawanna, New York and 238 acres of land at the former Angola Airport site in Evans, New York. In connection with its economic development purpose, ILDC is working with several partners to return these underutilized properties to productive use. The \$6,000 increase from 2024 to 2025 reflects additional capitalized costs incurred. The \$403,000 decrease in land held for sale from 2023 to 2024 was due to the sale of 10 acres at Renaissance Commerce Park.

The \$113,000 increase in accounts payable from 2024 to 2025 and the \$813,000 decrease from 2023 to 2024 were primarily due to special project construction-related payables outstanding the end of each year.

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The \$621,000 or 15% decrease in the total due to affiliate (ECIDA) from 2024 to 2025 is primarily due to the repayment of \$2,646,000 to ECIDA related to land development activities and projects, combined with \$1,883,000 of new funds borrowed. Additional repayment will be made when grant funds are received. The \$269,000 decrease from 2023 to 2024 was a result of repayments in excess of borrowed funds.

Unearned revenue relates to grants awarded to the ILDC, for which the related revenue has not yet been recognized. The \$241,000 increase from 2024 to 2025 is due to the award of a new grant that exceeded the recognition of revenue related to grants. The increase from 2023 to 2024 was also due to the award of one new grant offset by grant revenue recognition.

## 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 revenue:</b>					
Administrative fee revenue	\$ 550	\$ 338	\$ 212	63%	\$ 11
Gain (loss) on land held for sale	-	124	(124)	(100%)	-
Interest from loans and other	46	29	17	59%	24
<b>Total revenue</b>	<b>596</b>	<b>491</b>	<b>105</b>	<b>21%</b>	<b>35</b>
<b>Operating expenses:</b>					
Transfer to ECIDA	701	357	344	96%	28
General, administrative, and depreciation	262	156	106	68%	71
Provision for uncollectible loans (recoveries)	48	47	1	2%	189
<b>Total operating expenses</b>	<b>1,011</b>	<b>560</b>	<b>451</b>	<b>81%</b>	<b>288</b>
<b>Operating loss before special project grants</b>	<b>(415)</b>	<b>(69)</b>	<b>(346)</b>	<b>501%</b>	<b>(253)</b>
<b>Special project grants:</b>					
Grant revenue	2,405	1,469	936	64%	6,748
Grant expense	(2,033)	(1,579)	454	(29%)	(6,259)
<b>Total special project grants</b>	<b>372</b>	<b>(110)</b>	<b>482</b>	<b>(438%)</b>	<b>489</b>
<b>Change in net position</b>	<b>\$ (43)</b>	<b>\$ (179)</b>	<b>\$ 136</b>	<b>(76%)</b>	<b>\$ 236</b>

### Revenue Analysis

ILDC is an issuer of tax-exempt bond financing for not-for-profit entities. These bonds are not obligations of ILDC or the County. ILDC receives bond issuance fees from borrowers for providing this service. ILDC has a shared services agreement with ECIDA under which administrative and staffing services are provided to ILDC in connection with bond issuances in exchange for the related bond issuance fees received by ILDC. In 2025 there was one bond issuance with a principal amount greater than the bond issued in 2024, resulting in a \$212,000 increase in fee revenue. In 2024 there was one bond issuance, which was the cause of the increase in fees from 2023.

ILDC sells rehabilitated land as part of its economic development activities. When the sale price of land is greater than the book cost (including land improvements), a gain is recognized, and when the sale price is less than the book cost, a loss is recognized. There was one land sale in 2024, and the sale proceeds were greater than the cost of land to ILDC. There were no land sales in 2025.

The \$17,000 increase in interest from loans and other revenue from 2024 to 2025 is due mainly to a full year of income from an option contract related to land owned by ILDC. The increase from 2023 to 2024 was due to a partial year of income from the same contract.

### Expense Analysis

The amount transferred to ECIDA each year under the shared services agreement consists of administrative fees for bond issuances plus charges from ECIDA for personnel and overhead. Charges for personnel and overhead are derived from ECIDA employee hours charged for ILDC-related projects. The \$344,000 increase from 2024 to 2025 related to an ILDC bond fee of \$550,000 being transferred during the year and an increase in chargeable employee hours. The increase from 2023 to 2024 was due to a bond issuance in 2024.

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In 2025, general, administrative, and depreciation expenses increased \$106,000 from \$156,000 to \$262,000, due mainly to increases in legal costs and environmental and property maintenance costs on owned properties. General, administrative, and depreciation expenses increased \$85,000 from 2023 to 2024 due to increases in legal costs and special district taxes on owned properties.

Most of the loans made under the microenterprise loan program are forgivable loans, which may provide up to 50% of loan forgiveness if certain criteria are met. The increase of \$1,000 in the provision for uncollectible loans from 2024 to 2025 reflects a similar level of forgivable loans awarded in 2025 as compared to 2024. There were two loans forgiven during 2025. There was a decrease in the provision for uncollectible loans of \$142,000 from 2023 to 2024.

Grant revenue increased \$936,000 to \$2,405,000 in 2025 from \$1,469,000 in 2024. This was primarily due to \$1,642,000 of grant revenue recognized for access road construction at the Angola Agribusiness Park compared to \$60,000 in 2024. The decrease from 2023 to 2024 related to grant revenue in 2024 for sewer construction at Renaissance Commerce Park.

Grant expenses relate directly to the costs involved with certain projects undertaken by the ILDC and can vary from year to year based on activity. There was a \$454,000 increase in grant expenses from 2024 to 2025 due to the access road project at the Angola Agribusiness Park. Most grant expenses are related to the Renaissance Commerce Park project (see Note 3 to the financial statements for additional detail). The decrease from 2023 to 2024 due to a decrease in grant-eligible project expenses.

## Budget Analysis

ILDC 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 ILDC's performance compared to the approved 2025 budget.

<i>in thousands</i>	Actual	Budget	\$ Variance	% Variance
<b>Operating revenue:</b>				
Administrative fee revenue	\$ 550	\$ -	\$ 550	100%
Interest from loans and other	46	45	1	2%
<b>Total revenue</b>	<b>596</b>	<b>45</b>	<b>551</b>	<b>1224%</b>
<b>Operating expenses:</b>				
Transfer to ECIDA	701	174	527	303%
General, administrative, and depreciation	262	62	200	323%
Provision for uncollectible loans (recoveries)	48	105	(57)	(54%)
<b>Total operating expenses</b>	<b>1,011</b>	<b>341</b>	<b>670</b>	<b>196%</b>
<b>Operating loss before special project grants</b>	<b>(415)</b>	<b>(296)</b>	<b>(119)</b>	<b>40%</b>
<b>Special project grants:</b>				
Grant revenue	2,405	2,527	(122)	(5%)
Grant expense	(2,033)	(2,143)	110	(5%)
<b>Total special project grants</b>	<b>372</b>	<b>384</b>	<b>(12)</b>	<b>(3%)</b>
<b>Change in net position</b>	<b>\$ (43)</b>	<b>\$ 88</b>	<b>\$ (131)</b>	<b>(149%)</b>

ILDC's decrease in net position for 2025 fell short of the budgeted increase by \$131,000. Total revenue was \$551,000, or 1,224%, above budget due to a bond issuance in 2025. Administrative fee revenue is typically not included in the ILDC's budget due to the unpredictable nature of these transactions. Total expenses were \$670,000, or 196%, above budget. Most of the variance is due to the transfer to ECIDA being higher than expected as a result of the bond issuance. General, administrative, and depreciation expenses were \$200,000, or 323%, above budget due to increased legal, environmental, and property maintenance costs of properties. Grant revenue was \$122,000 lower than budget, while grant expenses were \$110,000 lower than budget.

## Economic Factors Impacting ILDC

ILDC relies upon land sales to generate revenue for continued operations, as well as grant revenue from Erie County and other economic development partners to defray the costs associated with land development. As a result of current uncertain economic conditions, ILDC's ability to generate the income necessary to support operations may be limited in the future.

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## **Requests for Information**

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

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BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION  
(A Component Unit of County of Erie, New York)

## Balance Sheets

December 31,	2025	2024
<b>Assets</b>		
<b>Current assets:</b>		
Cash	\$ 4,653,617	\$ 3,683,965
Grants receivable (Note 3)	5,212,106	6,413,558
Loans receivable (Note 2)	120,915	119,677
Prepaid expenses	186	-
	<u>9,986,824</u>	<u>10,217,200</u>
<b>Noncurrent assets:</b>		
Loans receivable, net (Note 2)	152,800	232,565
Capital assets	184,285	184,285
Accumulated depreciation	(14,260)	(9,726)
Land held for sale (Note 4)	6,477,657	6,472,145
	<u>6,800,482</u>	<u>6,879,269</u>
	<u>\$ 16,787,306</u>	<u>\$ 17,096,469</u>
<b>Liabilities and Net Position</b>		
<b>Current liabilities:</b>		
Accounts payable	\$ 179,726	\$ 67,342
Due to affiliate (Note 5)	3,629,513	4,249,733
Unearned revenue (Note 3)	5,614,227	5,372,594
	<u>9,423,466</u>	<u>9,689,669</u>
<b>Net position:</b>		
Net investment in capital assets	170,025	174,559
Restricted	489,748	517,721
Unrestricted	6,704,067	6,714,520
	<u>7,363,840</u>	<u>7,406,800</u>
	<u>\$ 16,787,306</u>	<u>\$ 17,096,469</u>

See accompanying notes.

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BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION  
(A Component Unit of County of Erie, New York)

Statements of Revenues, Expenses, and Changes in Net Position

For the years ended December 31,	2025	2024
<b>Operating revenues:</b>		
Administrative fees	\$ 550,000	\$ 337,513
Gain on land held for sale	-	124,258
Rental income	23,667	7,000
Interest from loans and other	22,329	21,760
Total operating revenues	<u>595,996</u>	<u>490,531</u>
<b>Operating expenses:</b>		
Transfer to Erie County Industrial Development Agency	701,495	356,714
General and administrative	257,011	151,483
Provision for uncollectible loans	48,091	46,880
Depreciation	4,534	4,534
Total operating expenses	<u>1,011,131</u>	<u>559,611</u>
Operating loss before special project grants	(415,135)	(69,080)
<b>Special project grants:</b>		
Special project grant revenue	2,404,863	1,469,378
Special project grant expense	(2,032,688)	(1,579,054)
Total special project grants	<u>372,175</u>	<u>(109,676)</u>
Change in net position	(42,960)	(178,756)
Net position - beginning	<u>7,406,800</u>	<u>7,585,556</u>
Net position - ending	<u>\$ 7,363,840</u>	<u>\$ 7,406,800</u>

See accompanying notes.

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## BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION (A Component Unit of County of Erie, New York)

### Statements of Cash Flows

For the years ended December 31,	2025	2024
<b>Operating activities:</b>		
Administrative fees	\$ 550,000	\$ 337,513
Receipts from (payments to) Erie County Industrial Development Agency	(1,321,715)	(626,356)
Principal and interest on loans and other	181,932	150,021
Loans awarded	(105,500)	(35,000)
Proceeds from sale of land	-	548,900
Purchase of land held for sale	(5,512)	(21,683)
Payments to vendors	(144,813)	(1,024,127)
Special project grant receipts	3,847,948	5,456,395
Special project grant disbursements	(2,032,688)	(1,519,399)
<b>Net operating activities</b>	<b>969,652</b>	<b>3,266,264</b>
Cash - beginning	<b>3,683,965</b>	<b>417,701</b>
Cash - ending	<b>\$ 4,653,617</b>	<b>\$ 3,683,965</b>
Reconciliation of change in net position to net cash flows from operating activities:		
Change in net position	\$ (42,960)	\$ (178,756)
Adjustments to reconcile change in net position to net cash flows from operating activities:		
Gain on land held for sale	-	(124,258)
Provision for uncollectible loans	(48,091)	(46,880)
Depreciation	4,534	4,534
Changes in other assets and liabilities:		
Grants receivable	1,201,452	2,777,621
Loans receivable	126,618	180,021
Prepaid expenses	(186)	-
Land held for sale	(5,512)	527,217
Accounts payable	112,384	(812,989)
Due to affiliate	(620,220)	(269,642)
Unearned revenue	241,633	1,209,396
<b>Net operating activities</b>	<b>\$ 969,652</b>	<b>\$ 3,266,264</b>

See accompanying notes.

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## BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION (A Component Unit of County of Erie, New York)

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### Notes to Financial Statements

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#### 1. Summary of Significant Accounting Policies

##### Nature of Organization

Buffalo and Erie County Industrial Land Development Corporation (ILDC) was incorporated for the purpose of participating in the acquisition and development of industrial sites and to provide financial assistance for the acquisition or renovation of fixed assets by industrial companies locating or expanding in the County of Erie, New York (the County). ILDC manages a microenterprise revolving loan program which is dedicated to improving economic conditions in the County.

ILDC has related party relationships with Erie County Industrial Development Agency (ECIDA) and Buffalo and Erie County Regional Development Corporation (RDC). All three entities are managed by the same personnel. 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.

In accordance with accounting standards, ILDC is considered a component unit of the County. The County, acting by and through the County Executive, is the sole member of ILDC and is financially accountable for it; as a result, ILDC is included in the financial statements of the County as a discretely presented component unit.

##### Basis of Presentation

The financial statements 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 (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

##### Measurement Focus

ILDC 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. ILDC'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.

ILDC'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, including interest earned on revolving loan funds, payments made to purchase those goods or services, gain or loss on property sales related to redevelopment activities, or special project grants whose purpose aligns with the primary mission of ILDC. Grants receivable and unearned revenue are recognized at the time awarded and are recognized as revenue when all eligibility requirements imposed by the provider have been satisfied. ILDC receives special project grants from various Federal, State, and County governments.

##### 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.

##### Cash and Investments

Cash management is governed by New York State (the State) laws and as established by ILDC's written policies. Cash 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.

# DRAFT

Custodial credit risk is the risk that, in the event of a bank failure, ILDC'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, ILDC's bank deposits were fully collateralized by FDIC coverage and securities held by the pledging bank's agent in ILDC's name.

## Loans Receivable

Loans receivable are stated at the principal amount outstanding, net of an allowance for uncollectible loans. The allowance method is used to compute the provision for uncollectible loans.

Determination of the allowance for uncollectible loans is based on an analysis of the loan portfolio and reflects an amount that, in management's judgment, is adequate to provide for potential loan losses. Management provides for probable uncollectible amounts through a charge to expenses and a credit to a valuation allowance based on its assessment of the current status of individual accounts, historical trends, and reasonable forecasts. Loans are written off through a charge to the valuation allowance and a credit to loans receivable after management has used reasonable collection efforts, and no legal recourse is available to collect the amount owed.

Interest on loans receivable is accrued as required by the terms of the agreement; management considers that collection is probable based on the current economic condition of the borrower. Interest accrual stops when management adjusts a loan reserve to 50% or more of the loan's outstanding balance.

## Capital Assets

Capital assets are recorded at cost. 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 Policy	Estimated Useful Life in Years
Buildings and improvements	\$ 1,000	5 - 40
Furniture and equipment	\$ 1,000	3 - 10

## Net Position

Net position consists of the following components:

- *Net investment in capital assets* – consists of capital assets, net of accumulated depreciation, 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 external organizations such as federal or state laws and include amounts maintained in the Erie County Business Development Fund (Erie County BDF) (Note 2).
- *Unrestricted* – the net amount of assets less liabilities and that are not included in the restricted component of net position and therefore are available for general use.

## Tax-Exempt Bond Transactions

ILDC is an issuer of tax-exempt bond financing for not-for-profit entities which meet the definition of conduit debt obligations. These bonds are obligations of the borrower and secured by the assets they finance. ILDC receives administrative fees from the borrower for providing bond issues which are recognized according to the terms of the fee agreement. ILDC also has a shared services agreement with ECIDA under which administrative and staffing services are provided to ILDC in connection with bond issuances in exchange for the related bond issuance fees received by ILDC. At December 31, 2025 and 2024, previously issued bonds have an aggregate outstanding principal amount payable of \$346,103,922 and \$337,249,793, respectively, none of which is recognized as a liability of ILDC.

ILDC transferred \$550,000 and \$337,000 in administrative fees to ECIDA in 2025 and 2024.

## Income Taxes

Although the financial statements are required to be reported as a governmental entity, ILDC is a 501(c)(3) not-for-profit organization for income tax purposes and is exempt from income taxes under §501(a) of the Internal Revenue Code.

## Subsequent Events

ILDC 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.

# DRAFT

## 2. Loans Receivable

The microenterprise revolving loan program was originally funded through a Community Development Block Grant (CDBG). Loans receivable maintained in the Erie County BDF are restricted pursuant to the original grant terms.

Loans made to local businesses from the Erie County BDF complement private financing at an interest rate of 2% with varying repayment terms. In 2022, ILDC began to provide microenterprise forgivable loans that may provide up to 50% of loan forgiveness if certain criteria are met by the borrower.

ILDC previously provided a \$750,000 forgivable loan to a borrower. During 2025, the borrower met requirements for the first \$150,000 installment to be forgiven. The remainder of the balance of the loan will be forgiven in installments of \$150,000 from 2026 through 2029 as long as the borrower continues to meet certain job creation and retention requirements as set forth in the agreement. At December 31, 2025 and 2024, the balance of the loan was \$600,000 and \$750,000, respectively is included in loans receivable and fully recognized in the allowance for uncollectible loans. The following is a summary of the loans receivable:

	2025	2024
Current status	\$ 1,616,318	\$ 1,828,254
Less allowance	1,342,603	1,476,012
	273,715	352,242
Less current portion	120,915	119,677
	<u>\$ 152,800</u>	<u>\$ 232,565</u>

Following is a summary of the activity in the allowance for uncollectible loans:

	2025	2024
Balance, beginning of year	\$ 1,476,012	\$ 1,429,132
Additions charged to operations	48,091	46,880
Reduction in allowances	(181,500)	-
	<u>\$ 1,342,603</u>	<u>\$ 1,476,012</u>

Scheduled maturities, net of allowances, for the next five years and thereafter are as follows:

	Principal	Interest
2026	\$ 120,915	\$ 15,651
2027	79,727	9,880
2028	43,184	5,102
2029	18,170	1,997
2030	11,535	462
Thereafter	184	26
	<u>\$ 273,715</u>	<u>\$ 33,118</u>

## 3. Special Project Grants

Special project grants are comprised of the following:

### **Bethlehem Phase II**

In connection with Phase II of the Renaissance Commerce Park redevelopment, ILDC authorized the execution of a \$1,755,000 grant from Empire State Development (ESD) as Phase I of a capital grant under the Buffalo Billion II Initiative. Proceeds from this grant are used to acquire additional vacant Brownfield property at Renaissance Commerce Park, purchase a right-of-way along the eastern edge of the property, and plan for the Lackawanna-Woodlawn State Park Shoreline trail.

Phase II of the capital grant in the amount of \$7,695,000 under the Buffalo Billion II initiative was authorized by ILDC in 2021. Proceeds from this grant are used toward the design and construction of infrastructure improvements including additional environmental remediation, construction of new roads, and installation of utility corridors.

In 2025, ILDC authorized a \$2,400,000 grant from Erie County. Proceeds from this grant are to be used for the construction of new roadways extending Odell Street and Ridge Road into the Renaissance Commerce Park.

### **Bethlehem EDA**

In 2022, ILDC authorized a \$2,680,000 grant from the U.S. Department of Commerce Economic Development Administration (EDA). Proceeds from this grant are used for the construction of water and sewer systems to facilitate development of land at Renaissance Commerce Park.

### **Angola Agribusiness Park**

ILDC previously received grants from National Grid for \$354,000, Erie County for \$2,730,000, and ESD for \$250,000 for the development of an agribusiness park at the former Angola Airport in Angola, New York.

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

	2025	2024
Bethlehem Phase II	\$ 2,400,000	\$ 3,195,000
Bethlehem EDA	62,106	62,106
Angola Agribusiness Park	2,750,000	3,156,452
	<u>\$ 5,212,106</u>	<u>\$ 6,413,558</u>

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

	2025	2024
Bethlehem Phase II	\$ 4,539,545	\$ 2,529,906
Angola Agribusiness Park	1,047,571	2,820,910
Other	27,111	21,778
	<u>\$ 5,614,227</u>	<u>\$ 5,372,594</u>

# DRAFT

## 4. Land Held for Sale

Land held for sale is recorded at net realizable value based on assessment of the fair value of each project. The net realizable value as of December 31, 2025 and 2024 amounted to \$6,477,657 and \$6,472,145 respectively.

In February 2017, ILDC entered into a funding agreement with ECIDA to accept \$6,700,000 in the form of a partially refundable grant from ECIDA's U.S. Department of Housing and Urban Development Urban Development Action Grant (UDAG) reflow fund in connection with a Brownfield reclamation and redevelopment project at Renaissance Commerce Park in Lackawanna, New York. \$5,700,000 of the grant was earmarked for the purchase of real property, with the remaining \$1,000,000 to be used for carrying costs during and after property acquisition. Additional funding of up to \$700,000 for property acquisition was granted from ECIDA's UDAG reflow fund in September 2017. The initial \$1,000,000 for carrying costs was exhausted during 2023 and ECIDA approved additional funding for necessary carrying costs. As of December 31, 2025 and 2024, \$6,338,416 of the \$6,400,000 total amount granted has been spent on real property. As of December 31, 2025 and 2024, \$1,304,525 and \$1,209,841 for carrying costs was utilized, respectively.

In connection with the Phase I land purchase, ILDC accepted a \$2,780,000 grant from ESD. Proceeds from this grant were used to reimburse ECIDA. In addition, ILDC resolved to remit to ECIDA 50% of the net proceeds received upon the future sale of portions of land at Renaissance Commerce Park acquired using ECIDA grant funds, the aggregate of which is not to exceed \$6,700,000. As of December 31, 2025 and 2024, \$3,637,575 in reimbursements have been made to ECIDA.

In December 2018, ILDC entered into a funding agreement with ECIDA to accept \$1,200,000 in the form of a partially refundable grant from ECIDA's UDAG reflow fund in connection with a redevelopment project at the former Angola Airport site in Angola, New York. \$900,000 of the grant was designated for the purchase of real property, with the remaining \$300,000 to be used for carrying costs during and after property acquisition. As of December 31, 2025 and 2024, \$855,084 of the \$900,000 granted for the purchase of real property was utilized. As of December 31, 2025 and 2024, \$189,881 and \$184,397 of the \$300,000 granted for carrying costs was utilized.

## 5. Related Party Transactions

ECIDA allocates a portion of its personnel and overhead costs to ILDC when sufficient funds are available. In 2025 and 2024, costs of \$151,495 and \$19,701 were charged to ILDC, respectively. The amount outstanding to ECIDA at December 31, 2025 and 2024 related to these costs amounted to \$175,743 and \$32,781, respectively. In 2023, the ECIDA Board of Directors authorized ILDC to utilize ECIDA's UDAG funding for cash flow purposes while project reimbursements are processed. The amount outstanding to ECIDA at December 31, 2025 and 2024 related to these costs amounted to \$3,453,770 and \$4,216,952, respectively. Amounts due to ECIDA totaled \$3,629,513 and \$4,249,733 at December 31, 2025 and 2024, respectively.

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

# DRAFT

**BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION**  
**(A Component Unit of County of Erie, New York)**

**Supplementary Information**  
**Combining Balance Sheet**

December 31, 2025

	Operating	Erie County BDF Program	Total
<b>Assets</b>			
<b>Current assets:</b>			
Cash	\$ 4,413,351	\$ 240,266	\$ 4,653,617
Grants receivable	5,212,106	-	5,212,106
Loans receivable	-	120,915	120,915
Prepaid expenses	186	-	186
	<u>9,625,643</u>	<u>361,181</u>	<u>9,986,824</u>
<b>Noncurrent assets:</b>			
Loans receivable, net	-	152,800	152,800
Capital assets	184,285	-	184,285
Accumulated depreciation	(14,260)	-	(14,260)
Land held for sale	6,477,657	-	6,477,657
	<u>6,647,682</u>	<u>152,800</u>	<u>6,800,482</u>
	<u>\$ 16,273,325</u>	<u>\$ 513,981</u>	<u>\$ 16,787,306</u>
<b>Liabilities and Net Position</b>			
<b>Current liabilities:</b>			
Accounts payable	\$ 177,408	\$ 2,318	\$ 179,726
Due to affiliate	3,607,598	21,915	3,629,513
Unearned revenue	5,614,227	-	5,614,227
	<u>9,399,233</u>	<u>24,233</u>	<u>9,423,466</u>
<b>Net position:</b>			
Net investment in capital assets	170,025	-	170,025
Restricted	-	489,748	489,748
Unrestricted	6,704,067	-	6,704,067
	<u>6,874,092</u>	<u>489,748</u>	<u>7,363,840</u>
	<u>\$ 16,273,325</u>	<u>\$ 513,981</u>	<u>\$ 16,787,306</u>

**BUFFALO AND ERIE COUNTY INDUSTRIAL LAND DEVELOPMENT CORPORATION**  
**(A Component Unit of County of Erie, New York)**

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

For the year ended December 31, 2025

	Operating	Erie County BDF Program	Total
<b>Operating revenues:</b>			
Administrative fees	\$ 550,000	\$ -	\$ 550,000
Rental income	23,667	-	23,667
Interest from loans and other	3,256	19,073	22,329
Total operating revenues	<u>576,923</u>	<u>19,073</u>	<u>595,996</u>
<b>Operating expenses:</b>			
Transfer to Erie County Industrial Development Agency	688,495	13,000	701,495
General and administrative	247,056	9,955	257,011
Provision for uncollectible loans	-	48,091	48,091
Depreciation	4,534	-	4,534
Total operating expenses	<u>940,085</u>	<u>71,046</u>	<u>1,011,131</u>
Operating loss before special project grants	(363,162)	(51,973)	(415,135)
<b>Special project grants:</b>			
Special project grant revenue	2,380,863	24,000	2,404,863
Special project grant expense	(2,032,688)	-	(2,032,688)
Total special project grants	<u>348,175</u>	<u>24,000</u>	<u>372,175</u>
Change in net position	(14,987)	(27,973)	(42,960)
Net position - beginning	<u>6,889,079</u>	<u>517,721</u>	<u>7,406,800</u>
<b>Net position - ending</b>	<u>\$ 6,874,092</u>	<u>\$ 489,748</u>	<u>\$ 7,363,840</u>

# DRAFT

## 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  
Buffalo and Erie County Industrial  
Land Development Corporation

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 Buffalo and Erie County Industrial Land Development Corporation (ILDC), a business-type activity and a component unit of the County of Erie, New York, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise ILDC'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 ILDC'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 ILDC's internal control. Accordingly, we do not express an opinion on the effectiveness of ILDC'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 ILDC'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*.

# DRAFT

## **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 ILDC's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering ILDC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

March 12, 2026

# DRAFT

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

The Board of Directors  
Buffalo and Erie County Industrial  
Land Development Corporation

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Buffalo and Erie County Industrial Land Development Corporation (ILDC), a business-type activity and a component unit of the County of Erie, New York, as of and for the year ended December 31, 2025, and the related notes to the 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 ILDC 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 ILDC'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

**Buffalo & Erie County Industrial Land Development Corp.**  
**Investment Report**  
For the year ended December 31, 2025

# **Buffalo & Erie County Industrial Land Development Corporation**

## **2025 Annual Investment Report**

### **Purpose of Report:**

Under Section 2925(6) of the Public Authorities Law, ILDC is required to prepare and approve an annual Investment Report. The investment report is to include: ILDC's 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 ILDC Board of Directors on March 25, 2026.

### **Investment Guidelines:**

In accordance with Section 2925 of the Public Authorities Law, ILDC 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. ILDC has elected to follow the deposit and investment restrictions contained in Sections 10 and 11 of the General Municipal Law as a "best practice".

The Investment Guidelines were approved by the ILDC Board of Directors on March 25, 2026 and are posted on the ECIDA's 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:**

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

**Buffalo & Erie County Industrial Land Development Corporation (ILDC)**  
 Annual Investment Report  
 For the year ended December 31, 2025

Account Type	Financial Institution	G/L Balance		Interest Rate <sup>a</sup> Dec 2025	Investment Income	Fees	Restricted	Purpose
		1/1/2025	12/31/2025					
1 Checking	M&T Bank	\$ 187,290	\$ 228,253	0.25%	\$ 887	\$ -	√	Erie County BDF Microenterprise Loan account <sup>b</sup>
2 Checking	M&T Bank	578,253	700,217	0.25%	3,256	-		General ILDC checking account
3 Checking	M&T Bank	2,906,493	3,713,133	0.25%	11,564	-	√	Imprest account for Empire State Development grant <sup>b</sup>
		<u>\$ 3,672,036</u>	<u>\$ 4,641,604</u>		<u>\$ 15,707</u>	<u>\$ -</u>		

**Notes:**

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

<sup>b</sup> Investment income earned is remitted to grantor in accordance with agreements.



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
<p>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)?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>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.</p>
<p>7. Did the Governance Committee develop and recommend to the Board any revisions to the number and/or structure of Board committees?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>No additional committees were recommended by the Governance Committee in 2025.</p>
<p>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?</p>	<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>
<p>9. Did the Governance Committee develop, review and recommend to the Board the adoption and/or revisions to the following:</p> <ul style="list-style-type: none"> <li>(i) the Agency's Code of Ethics.</li> <li>(ii) written policies regarding conflicts of interest.</li> </ul>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>i) &amp; 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.</p>

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>1. 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>2. 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>3. 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>4. 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>

**Buffalo & Erie County Industrial Land Development Corporation (ILDC) Confidential Evaluation of Board Performance**

Criteria	Agree	Somewhat Agree	Somewhat Disagree	Disagree
Board members have a shared understanding of the mission and purpose of the Authority.	4			
The policies, practices and decisions of the Board are always consistent with this mission.	4			
Board members comprehend their role and fiduciary responsibilities and hold themselves and each other to these principles.	4			
The Board has adopted policies, by-laws, and practices for the effective governance, management and operations of the Authority and reviews these annually.	4			
The Board sets clear and measurable performance goals for the Authority that contribute to accomplishing its mission.	2	2		
The decisions made by Board members are arrived at through independent judgment and deliberation, free of political influence, pressure or self-interest.	4			
Individual Board members communicate effectively with executive staff so as to be well informed on the status of all important issues.	4			
Board members are knowledgeable about the Authority's programs, financial statements, reporting requirements, and other transactions.	4			
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.	4			
The Board knows the statutory obligations of the Authority and if the Authority is in compliance with state law.	4			
Board and committee meetings facilitate open, deliberate and thorough discussion, and the active participation of members.	4			
Board members have sufficient opportunity to research, discuss, question and prepare before decisions are made and votes taken.	4			
Individual Board members feel empowered to delay votes, defer agenda items, or table actions if they feel additional information or discussion is required.	3	1		
The Board exercises appropriate oversight of the CEO and other executive staff, including setting performance expectations and reviewing performance annually.	4			
The Board has identified the areas of most risk to the Authority and works with management to implement risk mitigation strategies before problems occur.	3	1		
Board members demonstrate leadership and vision and work respectfully with each other.	4			

**Authority:** Buffalo and Erie County Industrial Land Development Corporation (ILDC)  
**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.  (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



## Erie County Micro-Enterprise Loan Status Report March 2026

<u>ILDC Loans Approved Since Last Meeting</u>	<u>Municipality</u>	<u>Amount</u>
None		

<u>ILDC Loans Closed Since Last Meeting</u>	<u>Municipality</u>	<u>Amount</u>
None		

<u>Loans in Closing Process</u>	<u>Municipality</u>	<u>Amount</u>
None		

<u>2026 – Loans Approved</u>	<u>YTD Loan Total</u>	<u>Jobs to be Created</u>	<u>Retained Jobs</u>
0	0	0	0

MWBE/Veteran loans: 0

### Erie County Micro-Enterprise Loan Portfolio Performance

**Past Due Loans:**

<u>Loan</u>	<u>Outstanding Balance</u>	<u>Amount Past Due</u>	<u>Days Past Due</u>	<u>Comments</u>
Kevin Thie d/b/a Buffalo Firewood	\$34,723	\$2,349	360+	Chapter 7 bankruptcy. Debt discharged.
Wild Discs, LLC	\$32,201	\$2,014	360+	Ch. 7 Bankruptcy. Debt discharged.
L&B Transportation LLC	\$27,041	\$2,349	270+	Judgment filed. Business closed.
Bella Publishing LLC	\$25,563	\$1,442	270+	Judgment filed, Lien on residence
Corporate Wellness LLC	\$21,219	\$1,564	150+	Placed for collection w/Attorney
Fetch Gourmet	\$25,104	\$1,007	120+	Placed for collection w/Attorney
Total: 6 – Loans	\$165,851			

**Portfolio Delinquency Rate** (Past Due Outstanding Loan Balance *divided by* Portfolio Balance):

\$165,851 / \$1,029,792 = 16.4% Delinquency Rate (Total Loans: 44)

**ILDC Funds Available to Lend:        \$214,625**