



**Buffalo and Erie County Regional Development Corporation
Meeting of the Membership
March 25, 2026
At 12:00 p.m.
ECIDA Offices
95 Perry Street, 4th Floor Conference Room
Buffalo, New York 14203**

1.0 Call to Order

2.0 Approval of Minutes

- 2.1 Approval of the October 22, 2025 Minutes of the Meeting of the Board of Directors (Action Item) (Pages 2-4)

3.0 Reports / Action Items / Information Items:

- 3.1 Financial Report (Informational) (Pages 5-8)
- 3.2 Finance & Audit Committee Update (Informational) (Pages 9-10)
 - a) Committee Self-Evaluation (Informational) (Pages 11-16)
- 3.3 2025 - Audited Financial Statements (Action Item) (Pages 17-47)
- 3.4 2025 – Investment Report (Action Item) (Pages 48-50)
- 3.5 Governance Committee Update (Informational) (Pages 51-52)
 - a) Committee Self-Evaluation (Informational) (Pages 53-56)
 - b) Board of Directors Evaluation/Survey (Informational) (Pages 57-59)
- 3.6 Loan Status Report (Informational) (Page 60)
- 3.7 Approval of Board Certification of Loan Administration Plan-CARES ACT RLF (Action Item) (Pages 61-64)

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 REGIONAL
DEVELOPMENT CORPORATION
(RDC)**

DATE AND PLACE: October 22, 2025, at the Erie County Industrial Development Agency, 95 Perry Street, 4th Floor Conference Room, Buffalo, New York 14203

PRESENT: Denise Abbott, Dr. LaVonne Ansari, Rev. Mark Blue, Jonathan Dandes, Hon. Joseph Emminger, Dottie Gallagher, Gregory Inglut, Tyra Johnson, Brenda McDuffie¹, Glenn Nellis, Hon. Brian Nowak, Hon. Mark Poloncarz, and Hon. Taisha St. Jean Tard

EXCUSED: Lorry Goldhawk, Hon. Brian Kulpa, Hon. Christopher P. Scanlon, Kenneth Schoetz

OTHERS PRESENT: John Cappellino, President & CEO; 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; Atiqah Abidi, Accounting Manager; Michelle Moore, Compliance Associate and Robert Murray, Esq., General Counsel/Harris Beach Murtha

GUESTS: Zaque Evans and Michael Szukala on behalf of Erie County; Daniel Castle on behalf of Erie County; Jonathan Epstein on behalf of Buffalo News; Rick Ganci on behalf of Capital Market Advisors and Jim Barnes on behalf of Buffalo City School District

There being a quorum present at 12:23 p.m., the meeting of the Buffalo and Erie County Regional Development Corporation (the “RDC”), was called to order by Vice Chair Abbott, who presided over the meeting in the absence of Chair McDuffie

MINUTES

The minutes of the September 25, 2025, meeting of the members, were presented. Mr. Emminger moved, and Rev. Blue seconded, to approve of the minutes. Ms. Abbott called for the vote, and the minutes were then unanimously approved.

¹ Ms. McDuffie participated via video conference pursuant to Section 103-A of the New York State Public Officer’s Law and the Agency’s Videoconferencing Participation Policy.

REPORTS / ACTION ITEMS / INFORMATION ITEMS

Financial Report. Ms. Abidi presented the September financial reports. The balance sheet shows that the RDC finished the month with total assets of \$23.3M, consisting of cash and loans receivable. Liabilities reflect amounts due to ECIDA for estimated 2025 costs. Fund balance is \$23.1M and decreased slightly from August. The monthly income statement reflects \$48,000 of revenues, and \$164,000 of expenses. After non-operating revenue of \$14,000, there was net loss of \$101,521 in September. The year-to-date income statement shows operating revenue of \$428,000, \$426,000 of operating expenses, and \$160,000 of non-operating revenue, combining for net income of \$161,466 so far in 2025. Loan interest income is about \$40,000 below budget due to fewer loans than anticipated in the budget. Ms. Abbott directed that the report be received and filed.

Finance and Audit Committee Update. Mr. Szukala updated members on the most recent Finance & Audit Committee meeting whereat the following actions were taken: (1) recommended approval of the Joint Schools Construction Board bond refunding; and (2) recommended approval of 2026 budgets for ECIDA, RDC, and ILDC. Ms. Abbott directed that the report be received and filed.

2026 Budget Timetable. Ms. Abidi advised members that we were coming to the end of our 2026 budget process. The Board will be asked to vote on the 2026 budget today in order to meet the November 1st Authorities Budget Office (“ABO”) deadline

Approval of 2026 Proposed Budget. Ms. Abidi reviewed the proposed 2026 budget and any changes, along with risk factors impacting the budget. Budgeted revenues consist of mainly interest income from loans at \$580,000 based on anticipated loan closing by the end of 2025. (Currently 4 loans from \$3.5M closed in 2025). Budgeted expenses are made up mainly of the ECIDA Management fee (salary and benefit costs of ECIDA staff based on time spent on RDC business) and a provision for loan losses, estimated at 2% of projected outstanding loans or \$300,000. The budgeted figures result in budgeted net income of \$60,075. Provision for loan losses is a conservative estimate. Ms. Abidi further reviewed the 3-year forecast as required by the ABO.

Mr. Poloncarz moved and Rev. Blue seconded to approve of the 2026 proposed budget. Ms. Abbott then called for the vote and the motion was unanimously approved.

RDC Loan Status Report. Mr. Manhard provided this report to Board members. General discussion about potentially increasing the maximum loan size above the current \$2,000,000 maximum level, and other ways to deploy the fund balance.

To better market the RDC Loan Fund and borrowing opportunities, Mr. Nowak moved and Mr. Emminger seconded to increase the RDC 2026 marketing budget to \$35,000. Ms. Abbott then called for the vote and the motion was unanimously approved.

Ms. St. Jean Tard then moved and Mr. Emminger seconded to approve an amendment of the 2026 RDC Budget to adjust the marketing expenditure to \$35,0000. Ms. Abbott then called for the vote and the motion was unanimously approved.

There being no further business to discuss, Ms. Abbott adjourned the meeting at 12:40 p.m.

Dated: October 22, 2025

Elizabeth A. O'Keefe, Secretary

Regional Development Corporation
Financial Statements
As of February 28, 2026

REGIONAL DEVELOPMENT CORPORATION ("RDC")

Balance Sheet

February 28, 2026

	February 2026	January 2026	December 2025
ASSETS:			
Restricted Cash and Equivalents**	\$ 9,183,714	\$ 9,011,643	\$ 8,590,325
Accounts Receivable	303,988	314,291	310,763
Prepaid Expenses	-	-	-
Direct Loans *	14,877,742	14,981,735	15,352,421
Reserve for Loan losses	(587,965)	(592,224)	(595,882)
Total Loan Assets, net	<u>14,289,777</u>	<u>14,389,511</u>	<u>14,756,539</u>
TOTAL ASSETS	<u><u>\$ 23,777,479</u></u>	<u><u>\$ 23,715,446</u></u>	<u><u>\$ 23,657,626</u></u>
LIABILITIES & NET ASSETS			
Accounts Payable	\$ -	\$ -	\$ 10,991
Due to ECIDA	384,218	353,603	326,803
Total Liabilities	<u>384,218</u>	<u>353,603</u>	<u>337,794</u>
Restricted Fund Balance	<u>23,393,260</u>	<u>23,361,843</u>	<u>23,319,833</u>
TOTAL LIABILITIES & NET ASSETS	<u><u>\$ 23,777,479</u></u>	<u><u>\$ 23,715,446</u></u>	<u><u>\$ 23,657,626</u></u>

* Loan Portfolio Summary:	February 2026	January 2026	December 2025
# of Legacy RLF Loans	35	35	35
# of CARES Act RLF Loans	26	25	26
	<u>61</u>	<u>60</u>	<u>61</u>

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

REGIONAL DEVELOPMENT CORPORATION ("RDC")

Income Statement

Month of February 2026

	Actual vs. Budget		
	Actual	Budget	Variance
REVENUES:			
Interest Income - Loans	\$ 46,950	\$ 48,333	\$ (1,383)
Administrative Fees	750	1,458	(708)
Other Income	155	208	(54)
Total Revenues	<u>47,855</u>	<u>50,000</u>	<u>(2,145)</u>
EXPENSES:			
Management Fee - ECIDA*	24,500	23,200	1,300
Provision for Loan Losses	(4,258)	25,000	(29,258)
Rent & Facilities Expenses	2,300	2,250	50
Professional Services	5,725	1,667	4,058
General Office Expenses	-	333	(333)
Other Expenses	3,969	2,898	1,072
Total Expenses	<u>32,236</u>	<u>55,348</u>	<u>(23,112)</u>
OPERATING INCOME(LOSS):	<u>15,619</u>	<u>(5,348)</u>	<u>20,967</u>
NONOPERATING REVENUE:			
Interest Income	15,799	3,142	12,657
Total Nonoperating Revenue	<u>15,799</u>	<u>3,142</u>	<u>12,657</u>
NET INCOME/(LOSS):	<u>\$ 31,418</u>	<u>\$ (2,206)</u>	<u>\$ 33,624</u>

* Represents an allocation of salary and benefit costs from the ECIDA based on time charged to RDC. The amount booked reflects 2026 budgeted figures.

REGIONAL DEVELOPMENT CORPORATION ("RDC")

Income Statement

Year to Date: February 28, 2026

	Actual vs. Budget			Actual vs. Prior Year		
	Actual	Budget	Variance	Actual	Prior Year	Variance
REVENUES:						
Interest Income - Loans	\$ 97,123	\$ 96,667	\$ 457	\$ 97,123	\$ 84,367	\$ 12,756
Administrative Fees	750	2,083	(1,333)	750	-	750
Other Income	155	417	(262)	155	-	155
Total Revenues	98,028	99,167	(1,139)	98,028	84,367	13,661
EXPENSES:						
Management Fee - ECIDA*	49,000	46,300	2,700	49,000	46,200	2,800
Provision for Loan Losses	(7,916)	50,000	(57,916)	(7,916)	(2,870)	(5,047)
Rent & Facilities Expenses	4,600	4,500	100	4,600	4,800	(200)
Professional Services	5,725	6,458	(733)	5,725	-	5,725
General Office Expenses	-	667	(667)	-	-	-
Other Expenses	5,929	5,796	134	5,929	5,589	340
Total Expenses	57,338	113,721	(56,383)	57,338	53,719	3,619
OPERATING INCOME/(LOSS):	40,690	(14,554)	55,244	40,690	30,648	10,042
NONOPERATING REVENUE:						
Interest Income	32,737	6,283	26,454	32,737	36,197	(3,459)
Total Nonoperating Revenue	32,737	6,283	26,454	32,737	36,197	(3,459)
NET INCOME/(LOSS):	\$ 73,427	\$ (8,271)	\$ 81,698	\$ 73,427	\$ 66,845	\$ 6,583

* Represents an allocation of salary and benefit costs from the ECIDA based on time charged to RDC. The amount booked reflects 2026 budgeted figures.



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 & 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 & Audit Committee develop the Agency's audit practices, which should address independent auditors and financial statements; internal controls, compliance, and risk assessment; special investigations; and other responsibilities?</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	See Questions #6-#10 below.

Finance & Audit Committee Self-Evaluation	Yes	No	Pending	Comments
<p>6. Did the Finance & 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 & 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 & 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 & 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 & 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 & 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 & Finance Committee self-evaluation; (2) Audit & 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 & Deposit Policy; and (7) 2024 Investment Report.</p>

Other Self-Evaluation Notes

In addition to the above:

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

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COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

March 12, 2026

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

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

Our Responsibility in Relation to the Financial Statement Audits

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

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

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

Planned Scope and Timing of the Audits

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

Compliance with All Ethics Requirements Regarding Independence

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

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Qualitative Aspects of the Organizations' Significant Accounting Practices

Significant Accounting Policies

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

Significant Accounting Estimates and Audit Risk Items

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. The most sensitive accounting estimates and audit risk items affecting each entity's financial statements are:

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

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

Financial Statement Disclosures

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

Significant Difficulties Encountered During the Audits

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

Uncorrected and Corrected Misstatements

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

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

Disagreements with Management

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

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

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

Representations Requested from Management

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

Management's Consultations with Other Accountants

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

Other Significant Matters, Findings, or Issues

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

Other Matters

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

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

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

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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.

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

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**BUFFALO AND ERIE COUNTY REGIONAL
DEVELOPMENT CORPORATION**

SINGLE AUDIT REPORTING PACKAGE

DECEMBER 31, 2025

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BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Buffalo and Erie County Regional
Development Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Buffalo and Erie County Regional Development Corporation (RDC), a business-type activity, as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise RDC'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 RDC 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 RDC, 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 RDC'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 RDC'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 RDC's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

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Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise RDC's basic financial statements. The accompanying supplementary information as listed in the table of contents, including the schedule of expenditures of federal awards required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 RDC'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 RDC'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 RDC's internal control over financial reporting and compliance.

March 12, 2026

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BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION

Management's Discussion and Analysis (Unaudited)

December 31, 2025

Buffalo and Erie County Regional Development Corporation (RDC) was incorporated for the purpose of encouraging the expansion of existing companies in target areas of Erie County (the County) by establishing a revolving loan fund (RLF). The U.S. Department of Commerce Economic Development Administration (EDA) is the oversight body of one of RDC's RLFs. The EDA released its federal interest in RDC's Legacy (original) RLF during 2021. In 2020, under the Coronavirus Aid, Relief, and Economic Security (CARES) Act, EDA awarded \$5 million to Erie County Industrial Development Agency (ECIDA) to capitalize a new RLF, which ECIDA sub-granted to RDC to administer. A Loan Administration Plan (LAP) that outlines RDC's lending processes and goals is approved by EDA every five years.

As a special-purpose government engaged in business-type activities, RDC 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*, RDC is required to present management's discussion and analysis (MD&A) to assist readers in understanding RDC's financial performance.

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

Basic Overview of the Financial Statements

Included in this report are the following financial statements:

- 1) **Balance Sheets** – The balance sheets show the reader what RDC owns (assets and deferred outflows of resources) and what RDC owes (liabilities and deferred inflows of resources). RDC's assets and deferred outflows of resources less liabilities and deferred inflows of resources (net position) can be one way to measure RDC's financial position. Over time, increases or decreases in RDC'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 RDC's operating and nonoperating revenues by major sources along with operating and nonoperating expenses. The difference between total revenues and expenses can be one way to measure RDC's operating results for the year.
- 3) **Statements of Cash Flows** – These statements report RDC's cash flows from operating and investing activities.

Financial Highlights

- RDC's net position increased from \$22,941,000 in 2024 to \$23,320,000 in 2025.
- RDC experienced an increase in net position of \$379,000 in 2025 compared to an increase of \$260,000 in 2024.
- Operating revenues increased 1% from \$581,000 in 2024 to \$585,000 in 2025.
- Operating expenses decreased 20% from \$520,000 in 2024 to \$415,000 in 2025.

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Condensed Comparative Financial Statements:

Balance Sheets at December 31:

<i>in thousands</i>	2025	2024	\$ Change	% Change	2023
Assets					
Cash	\$ 5,898	\$ 5,766	\$ 132	2%	\$ 4,287
Investments	3,003	3,020	(17)	(1%)	-
Prepaid expenses	-	3	(3)	(100%)	-
Loans receivable, net	14,757	14,476	281	2%	18,709
Total assets	\$ 23,658	\$ 23,265	\$ 393	2%	\$ 22,996
Liabilities					
Accounts payable	\$ 11	\$ 2	\$ 9	450%	\$ 2
Due to affiliate	327	322	5	2%	300
Unearned revenue	-	-	-	-	13
Total liabilities	338	324	14	4%	315
Net position					
Restricted	4,624	4,616	8	0%	4,603
Unrestricted	18,696	18,325	371	2%	18,078
Total net position	23,320	22,941	379	2%	22,681
Total liabilities and net position	\$ 23,658	\$ 23,265	\$ 393	2%	\$ 22,996

RDC's cash balance increased 2% or \$132,000 primarily due to several loans repaid ahead of schedule, offset an increase in loan disbursements in 2025. The cash increase from \$4,287,000 in 2023 to \$5,766,000 in 2024 was a result of several large loans repaid ahead of schedule and fewer loan disbursements. Year over year cash fluctuations typically correspond with changes in loans receivable. RDC continued to invest in U.S. Treasury Bills of \$3,003,000 in 2025 to earn higher yields on idle cash.

Loans receivable relate to the RLFs operated by RDC, net of an allowance. Loans receivable increased \$281,000 or 2% from 2024 to 2025, due to \$3,595,000 of principal repayments and a \$27,000 increase to the allowance, net of \$3,903,000 of new loans closed during 2025. The decrease in loans receivable from \$18,709,000 in 2023 to \$14,476,000 in 2024 was due to loan repayments in excess of loans disbursed in 2024.

Due to affiliate reflects the amount due to ECIDA under a shared services agreement for personnel and overhead at the end of the year. The \$5,000 increase in due to affiliate from 2024 to 2025 is due to increases to the hourly rates of ECIDA employees. The increase in amounts due to affiliate from \$300,000 in 2023 to \$322,000 in 2024 was due to increases in hourly rates and the number of hours dedicated to RDC activities.

Unearned revenue reflects a portion of the CARES Act sub-grant funds received that were not spent as of the end of the year. The \$13,000 or 100% decrease from 2023 to 2024 was due to recognition of the remaining grant revenue in 2024.

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

<i>in thousands</i>	2025	2024	\$ Change	% Change	2023
Operating revenues:					
Interest from loans	\$ 566	\$ 576	\$ (10)	(2%)	\$ 652
Loan commitment fees	19	4	15	375%	21
Total operating revenues	585	580	5	1%	673
Operating expenses:					
General and administrative	\$ 387	\$ 359	\$ 28	8%	\$ 351
Provision for uncollectible loans (recoveries)	28	161	(133)	(83%)	(27)
Total operating expenses	415	520	(105)	(20%)	324
Operating income	170	60	110	183%	349
Nonoperating revenues					
Interest income	209	187	22	12%	73
Grant contributions	-	13	(13)	(100%)	84
Total nonoperating revenues	209	200	9	5%	157
Change in net position	\$ 379	\$ 260	\$ 119	46%	\$ 506

Revenue Analysis

Interest from loans is collected from borrowers in accordance with the terms of each promissory note. RDC loans bear interest at rates ranging from 1.0% to 5.5%, in accordance with the Loan Administration Plan provisions in effect at the time the loan is approved. Interest from loans decreased \$10,000, or 2%, from 2024 to 2025 because loans awarded in 2024 were lower than average, leading to less interest collected on those loans in 2025. Interest decreased from \$652,000 in 2023 to \$576,000 in 2024 due to a decrease in loans receivable.

Loan commitment fees are generally charged on loans greater than \$100,000. Commitment fees vary from year to year depending on individual loan amounts. In 2025, there were three loans that incurred commitment fees of \$19,000. In 2024 there were four loans that incurred commitment fees of \$4,000. In 2023 there were four loans that incurred commitment fees of \$21,000.

Expense Analysis

In 2025, general and administrative expenses increased \$28,000 from \$359,000 to \$387,000. The increase is due to increases in targeted marketing costs, the ECIDA management fee, and legal costs. In 2024, RDC incurred an increased ECIDA management fee, leading to an increase in general and administrative expenses of \$8,000.

Provision for uncollectible loans consists of the amount of loan loss expense in a year, net of any recoveries for loans previously written off. In 2025, the net expense was due to increases in the allowance of \$68,000 net of \$40,000 of loan recoveries. One loan of \$27,000 was written off. In 2024, the net expense was due to increases in the allowance of \$161,000. No loans were written off in 2024. In 2023 there was a reduction of \$27,000 in the reserve and two loans totaling \$105,000 were written off.

Grant contributions relate directly to amounts granted from ECIDA under the CARES Act RLF established in 2022. Beginning in 2025, there are no further grant funds available to allocate administrative costs. In 2024, \$13,000 of administrative costs were charged to this grant, compared to \$84,000 in 2023.

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Budget to Actual Analysis for the year ended December 31, 2025:

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

<i>in thousands</i>	Actual	Budget	\$ Variance	% Variance
Operating revenues:				
Interest from loans	\$ 566	\$ 600	\$ (34)	(6%)
Loan commitment fees	19	18	1	6%
Total operating revenues	585	618	(33)	(5%)
Operating expenses:				
General and administrative	\$ 387	\$ 372	\$ 15	4%
Provision for uncollectible loans (recoveries)	28	300	(272)	(91%)
Total operating expenses	415	672	(257)	(38%)
Operating income (loss)	170	(54)	224	(415%)
Nonoperating revenues				
Interest and other income	209	80	129	161%
Change in net position	\$ 379	\$ 26	\$ 353	1,358%

Overall, RDC exceeded its budgeted increase in net position for 2025 by \$353,000. Total operating revenue was \$33,000, or 5%, below budget due to lower than anticipated interest income from loans in 2025. Total expenses were \$257,000, or 38%, below budget. This was due mainly to the lower than expected provision for uncollectible loans. Nonoperating revenue outpaced the budget by \$129,000, or 161%, due to an increase in cash on hand for much of 2025.

Economic Factors Impacting RDC

RDC relies upon loan interest income to generate revenue for continued operations. As a result of economic conditions and borrowers' ability to repay, RDC's ability to generate the income necessary to support operations may be limited in the future.

Requests for Information

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

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BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION

Balance Sheets

December 31,	2025	2024
Assets		
Current assets:		
Cash	\$ 5,897,824	\$ 5,766,406
Investments	3,003,265	3,019,806
Prepaid expenses	-	2,500
Loans receivable (Note 2)	3,290,724	3,200,448
	<u>12,191,813</u>	<u>11,989,160</u>
Noncurrent assets:		
Loans receivable, net (Note 2)	<u>11,465,815</u>	<u>11,275,861</u>
	<u>\$ 23,657,628</u>	<u>\$ 23,265,021</u>
Liabilities and Net Position		
Current liabilities:		
Accounts payable	\$ 10,991	\$ 1,814
Due to affiliate (Note 3)	326,804	322,042
	<u>337,795</u>	<u>323,856</u>
Net position:		
Restricted	4,623,776	4,615,947
Unrestricted	18,696,057	18,325,218
	<u>23,319,833</u>	<u>22,941,165</u>
	<u>\$ 23,657,628</u>	<u>\$ 23,265,021</u>

See accompanying notes.

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BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION

Statements of Revenues, Expenses, and Changes in Net Position

For the years ended December 31,	2025	2024
Operating revenues:		
Interest from loans	\$ 566,443	\$ 576,778
Loan commitment fees	18,500	4,050
Total operating revenues	<u>584,943</u>	<u>580,828</u>
Operating expenses:		
General and administrative	386,918	359,450
Provision for uncollectible loans (recoveries), net	28,016	160,953
Total operating expenses	<u>414,934</u>	<u>520,403</u>
Operating income	<u>170,009</u>	<u>60,425</u>
Nonoperating revenues:		
Interest income	208,659	187,176
Grant contributions	-	12,509
Total nonoperating revenues	<u>208,659</u>	<u>199,685</u>
Change in net position	378,668	260,110
Net position - beginning	<u>22,941,165</u>	<u>22,681,055</u>
Net position - ending	<u>\$ 23,319,833</u>	<u>\$ 22,941,165</u>

See accompanying notes.

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BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION

Statements of Cash Flows

For the years ended December 31,	2025	2024
Operating activities:		
Payments collected on loans receivable	\$ 3,594,956	\$ 4,997,214
Loan interest and fees	584,943	580,828
Loans awarded	(3,903,202)	(926,000)
Payments to vendors and affiliates	(370,479)	(340,463)
Net operating activities	(93,782)	4,311,579
Investing activities:		
Purchase of investments	16,541	(3,019,806)
Interest income	208,659	187,176
Net investing activities	225,200	(2,832,630)
Change in cash	131,418	1,478,949
Cash - beginning	5,766,406	4,287,457
Cash - ending	\$ 5,897,824	\$ 5,766,406
Reconciliation of operating income to net cash flows from operating activities:		
Operating income	\$ 170,009	\$ 60,425
Adjustments to reconcile operating income to net cash flows from operating activities:		
Provision for uncollectible loans	28,016	160,953
Changes in other assets and liabilities:		
Loans receivable	(308,246)	4,071,214
Prepaid expenses	2,500	(2,500)
Accounts payable	9,177	(227)
Due to affiliate	4,762	21,714
	\$ (93,782)	\$ 4,311,579

See accompanying notes.

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BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Nature of Organization

Buffalo and Erie County Regional Development Corporation (RDC) was incorporated for the purpose of encouraging the expansion of existing companies in target areas of the County of Erie (the County) by establishing an Industrial Revolving Loan Fund from which RDC makes loans to individual companies. RDC manages two revolving loan programs maintained under agreements or established loan administration plans approved by the grantor governing the management of the revolving loan program.

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

In accordance with accounting standards, RDC is not considered a component unit of another entity.

Basis of Presentation

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

Measurement Focus

RDC 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. RDC'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.

RDC'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, and payments made to purchase those goods or services. Certain other transactions are reported as nonoperating activities and include RDC's interest income from deposits and grants resulting from nonexchange transactions. Grants are recognized as revenue when all eligibility requirements imposed by the provider have been satisfied.

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 RDC'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.

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

Investments include U.S. Treasury Bills with original maturities in excess of three months that are stated at fair value on a recurring basis as determined by quoted prices in active markets.

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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.

Net Position

Net position consists of two components:

- *Restricted* – consists of restricted assets reduced by related liabilities. Restrictions are imposed by external organizations such as federal or state laws.
- *Unrestricted* – the net amount of assets and deferred outflows of resources less liabilities that are not included in the restricted component of net position and therefore are available for general use.

Income Taxes

Although the financial statements are required to be reported as a governmental entity, RDC 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

RDC 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.

2. Loans Receivable

The legacy revolving loan program was originally established through multiple grants received between 1979 and 1983 from the U.S. Economic Development Administration (EDA) amounting to \$7,000,000. Matching funds totaling \$5,250,500 were also received from various sources. The EDA released its federal interest in the legacy revolving loan fund (RLF) as of September 30, 2021 through the Reinvigorating Lending for the Future Act, due to the RLF operating satisfactorily for at least seven years beyond the disbursement of grant funds.

During 2020, RDC was awarded an EDA grant (passed through ECIDA) totaling \$5,415,694 as part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act to establish the CARES Act RLF to assist the region in response to the COVID-19 pandemic. Initial loan terms included one year interest-free, one year of interest-only payments, and then principal payments begin in the third year. The grant was fully spent as of December 31, 2024.

Loans awarded to local businesses bear interest at rates ranging from 1% to 5.5% with varying repayment terms. The following is a summary of loans receivable:

	2025	2024
Current status	\$ 15,224,045	\$ 15,031,262
Past due	128,376	-
	15,352,421	15,031,262
Less allowance	595,882	554,953
	14,756,539	14,476,309
Less current portion	3,290,724	3,200,448
	\$ 11,465,815	\$ 11,275,861

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

	2025	2024
Balance, beginning of year	\$ 554,953	\$ 394,000
Additions charged to operations	68,086	160,953
Reduction in allowance	(27,157)	-
	\$ 595,882	\$ 554,953

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

	Principal	Interest
2026	\$ 3,290,724	\$ 548,360
2027	3,213,852	431,038
2028	2,399,262	326,193
2029	1,922,354	233,422
2030	1,665,483	156,343
Thereafter	2,264,864	175,871
	\$ 14,756,539	\$ 1,871,227

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3. Related Party Transactions

ECIDA allocates a portion of its personnel and overhead costs to RDC based on a cost allocation plan. Costs allocated by ECIDA and included in general and administrative expenses amounted to \$309,162 and \$300,991 for the years ended December 31, 2025 and 2024. Amounts owed to ECIDA at December 31, 2025 and 2024 totaled \$326,804 and \$322,042, respectively.

4. Contingencies

Grants

RDC receives financial assistance from government agencies in the form of grants. The expenditure of grant funds generally requires compliance with the terms and conditions specified in the agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of RDC. Based on prior experience, management expects such amounts, if any, to be immaterial.

5. Commitments

Outstanding loan commitments approved but not yet paid totaled \$325,000 at December 31, 2025.

RDC has approved a line of credit to a local business totaling \$100,000 with interest at 3%. At December 31, 2025 and 2024, \$24,550 and \$18,300 are outstanding with \$75,450 and \$81,700 available to be disbursed.

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BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION

Supplementary Information Combining Balance Sheet

December 31, 2025

	Legacy Account	CARES Act Account	Total
Assets			
Current assets:			
Cash	\$ 3,253,799	\$ 2,644,025	\$ 5,897,824
Investments	3,003,265	-	3,003,265
Loans receivable	2,451,791	838,933	3,290,724
	<u>8,708,855</u>	<u>3,482,958</u>	<u>12,191,813</u>
Noncurrent assets:			
Loans receivable, net	10,266,518	1,199,297	11,465,815
	<u>\$ 18,975,373</u>	<u>\$ 4,682,255</u>	<u>\$ 23,657,628</u>
Liabilities and Net Position			
Current liabilities:			
Accounts payable	\$ 10,991	\$ -	\$ 10,991
Due to affiliate	268,325	58,479	326,804
	<u>279,316</u>	<u>58,479</u>	<u>337,795</u>
Net position:			
Restricted	-	4,623,776	4,623,776
Unrestricted	18,696,057	-	18,696,057
	<u>18,696,057</u>	<u>4,623,776</u>	<u>23,319,833</u>
	<u>\$ 18,975,373</u>	<u>\$ 4,682,255</u>	<u>\$ 23,657,628</u>

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BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION

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

For the year ended December 31, 2025

	Legacy Account	CARES Act Account	Total
Operating revenues:			
Interest from loans	\$ 528,053	\$ 38,390	\$ 566,443
Loan commitment fees	17,500	1,000	18,500
Total operating revenues	545,553	39,390	584,943
Operating expenses:			
General and administrative	317,448	69,470	386,918
Provision for uncollectible loans (recoveries), net	28,016	-	28,016
Total operating expenses	345,464	69,470	414,934
Operating income (loss)	200,089	(30,080)	170,009
Nonoperating revenues:			
Interest income	170,750	37,909	208,659
Change in net position	370,839	7,829	378,668
Net position - beginning	18,325,218	4,615,947	22,941,165
Net position - ending	\$ 18,696,057	\$ 4,623,776	\$ 23,319,833

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BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION

Supplementary Information Schedule of Expenditures of Federal Awards

For the year ended December 31, 2025

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Assistance Listing Number</u>	<u>Grantor Number</u>	<u>Expenditures</u>
<u>U.S. Department of Commerce:</u>			
<u>Passed through Erie County Industrial Development Agency</u>			
COVID-19 - Economic Adjustment Assistance	11.307	01-79-15022	\$ 5,125,725

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BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION

Notes to Schedule of Expenditures of Federal Awards

1. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) presents the activity of all federal award programs administered by Buffalo and Erie County Regional Development Corporation (RDC), an entity as defined in Note 1 to RDC's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through from other governmental agencies, are included on the SEFA.

Expenditures are calculated as required by the Uniform Guidance or the applicable program and do not constitute actual program disbursements. All expenditures reported on the SEFA represent revolving loan programs.

The COVID-19 Economic Adjustment Assistance program, administered by the EDA, specifically requires the amount on the SEFA to be calculated as follows:

Cash	\$ 2,644,025
Balance of loans outstanding	2,385,073
Administrative expenses	69,470
Loan write-offs	27,157
	<hr/>
	5,125,725
Total EDA share	100%
	<hr/>
	\$ 5,125,725

Basis of Accounting

RDC uses the accrual basis of accounting for each federal program, consistent with the financial statements.

The amounts reported as federal expenditures generally were obtained from the appropriate federal financial reports for the applicable programs and periods. The amounts reported in these federal financial reports are prepared from records maintained for each program, which are periodically reconciled with RDC's financial reporting system.

Indirect Costs

RDC has not elected to use the de minimis indirect cost rate as allowed under the Uniform Guidance. Furthermore, RDC has not received Federal awards that include indirect cost reimbursement for the year ended December 31, 2025.

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The Board of Directors
Buffalo and Erie County Regional
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 Regional Development Corporation (RDC), a business-type activity, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise RDC'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 RDC'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 RDC's internal control. Accordingly, we do not express an opinion on the effectiveness of RDC'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 RDC's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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Purpose of this Report

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

March 12, 2026

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

The Board of Directors
Buffalo and Erie County Regional
Development Corporation

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the compliance of Buffalo and Erie County Regional Development Corporation (RDC), a business-type activity, with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of RDC's major federal programs for the year ended December 31, 2025. RDC's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, RDC complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report. We are required to be independent of RDC and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of RDC's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to RDC's federal programs.

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Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on RDC's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about RDC's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 RDC's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of RDC's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of RDC's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the *Auditors' Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

March 12, 2026

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BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION

Schedule of Findings and Questioned Costs

For the year ended December 31, 2025

Section I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: *Unmodified*

Internal control over financial reporting:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None reported

Noncompliance material to financial statements noted? No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? No
- Significant deficiency(ies) identified? None reported

Type of auditors' report issued on compliance for major programs: *Unmodified*

Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)? No

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>Assistance Listing Number</u>	<u>Amount</u>
COVID-19 - Economic Adjustment Assistance	11.307	<u>\$ 5,125,725</u>

Dollar threshold used to distinguish between type A and type B programs: \$1,000,000

Auditee qualified as low-risk auditee? Yes

Section II. Financial Statement Findings

No matters were reported.

Section III. Federal Award Findings and Questioned Costs

No matters were reported.

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

The Board of Directors
Buffalo and Erie County Regional
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 Regional Development Corporation (RDC), a business-type activity, as of and for the year ended December 31, 2025, and the related notes to the basic financial statements, and we have issued our report thereon dated March 12, 2026.

In connection with our audit, nothing came to our attention that caused us to believe that RDC 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 RDC'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 Regional Development Corp.
Investment Report
For the year ended December 31, 2025

Buffalo & Erie County Regional Development Corporation

2025 Annual Investment Report

Purpose of Report:

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

Investment Guidelines:

In accordance with Section 2925 of the Public Authorities Law, RDC 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. RDC 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 RDC 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:

RDC'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 RDC complied, in all material respects, with these Investment Guidelines.

Buffalo & Erie County Regional Development Corporation (RDC)
 Annual Investment Report
 For the year ended December 31, 2025

Account Type	Financial Institution	G/L Balance		Interest Rate ^a Dec 2025	2025		Restricted	Purpose
		1/1/2025	12/31/2025		Investment Income	Fees		
1 Checking	M&T Bank	\$ 880,495	\$ 1,218,826	0.25%	\$ 5,584	\$ -	✓	Legacy Loan Fund
2 Savings	M&T Bank	2,801,403	1,789,024	2.00%	41,739	-	✓	Legacy Loan Fund
3 U.S. Treasury Bills	Wilmington Trust	2,999,695	2,999,158	3.52%	123,427	-	✓	Legacy Loan Fund
4 Checking	M&T Bank	155,968	378,843	0.25%	1,898	-	✓	EDA CARES Act Loan Fund
5 Savings	M&T Bank	1,668,464	2,204,475	2.00%	36,011	-	✓	EDA CARES Act Loan Fund
		<u>\$ 8,506,025</u>	<u>\$ 8,590,325</u>		<u>\$ 208,659</u>	<u>\$ -</u>		

Notes:

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



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

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

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

1) 2025 PAAA Annual Report

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

2) Results of 2025 Performance Measurements

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

3) Mission Statement and 2026 Performance Measurements

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

4) 2025 Board of Directors’ Evaluation/Survey

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

5) 2025 Governance Committee Self-Evaluation

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

6) ECIDA/RDC/ILDC Policies

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

- Procurement Policy
- Property Disposition Guidelines

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

7) PARIS Report Update

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

8) Board Member PAAA Training Update

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

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

2025 Governance Committee Self-Evaluation

Responsibilities of the Governance Committee:

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

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

Governance Committee Self-Evaluation	Yes	No	Pending	Comments
<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 & RDC Board. In total, 16 of the 19 ECIDA & 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: (i) the Agency's Code of Ethics. (ii) written policies regarding conflicts of interest.</p>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>i) & ii) are included in the ECIDA Code of Ethics and Conflict of Interest Policy. The Code was most recently re-adopted by the Board of Directors during its meeting on 3/27/24. Revisions to this policy were not necessary in 2025.</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.
(vi) written policies regarding the disposition of real and personal property and the acquisition of property. (vii) committee charters, including this Charter. (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.				vi) The ECIDA Property Disposition Guidelines were re-adopted by the full Board during its meeting on 3/26/25. 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. viii) The Governance Committee did not approve any additional policies in 2025.
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"> 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. 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. 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. 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.

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

Authority: Buffalo and Erie County Regional Development Corporation (RDC)

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



Loan Status Report March 2026

RDC Loans Approved Since Last Meeting

Johnson's Taphouse, Inc.
Springville Print Company, Inc.
Blue Eyed Baker, LLC
B & W Heat Treating Co., LLC
Five Star Automotive of Buffalo, Inc.

Municipality

Hamburg
Springville
East Aurora
Tonawanda
Cheektowaga

Amount

\$150,000
\$121,500
\$100,000
\$150,000
\$200,000

RDC Loans Closed Since Last Meeting

Five Star Automotive of Buffalo, Inc.
Johnson's Taphouse Inc.

Municipality

Cheektowaga
Hamburg

Amount

\$200,000
\$150,000

Loans in Closing Process

Springville Print Company, Inc.
Blue Eyed Baker, LLC
B & W Heat Treating Co., LLC

Municipality

Springville
East Aurora
Tonawanda

Amount

\$121,500
\$100,000
\$150,000

<u>2026 – Loans Approved</u>	<u>Loan Total</u>	<u>Jobs to be Created</u>	<u>Retained Jobs</u>	<u>Dollars Leveraged</u>
4	\$521,500	24	99	\$36,000

MBE/WBE/Vet Loans: 2

<u>2025 – Loans Approved</u>	<u>Loan Total</u>	<u>Jobs to be Created</u>	<u>Retained Jobs</u>	<u>Dollars Leveraged</u>
7	\$4,028,500	35	110	\$4,888,733

MBE/WBE/Vet Loans: 1

Loan Portfolio Performance

Past Due Loans:

<u>Name</u>	<u>Loan Balance</u>	<u>Amount Past Due</u>	<u>Days Past Due</u>	<u>Comments</u>
Dobutsu, Inc.	\$128,375	\$46,740	270+	Liquidating equipment, working out loan deficiency

Portfolio Delinquency Rate (90+ day Past Due Outstanding Loan Balance *divided by* Portfolio Balance):

\$128,375 / \$14,914,839 = **0.9%** Delinquency Rate (62 total loans in portfolio)

RDC Funds Available to Lend: \$8,997,972



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

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

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

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

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

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

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

Action:

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

BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION
CARES ACT REVOLVING LOAN FUND ANNUAL RESOLUTION

The meeting of the Buffalo and Erie County Regional Development Corporation was convened on March 25, 2026 at 12:30 p.m.

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

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

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

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

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

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

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

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

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

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

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

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

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

NOW, THEREFORE, BE IT RESOLVED BY THE BUFFALO AND ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION AS FOLLOWS:

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

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

Section 3. This resolution shall take effect immediately.

Dated: March 25, 2026