Buffalo & Erie County
Regional Development Corporation
2026 Budget

Regional Development Corporation (RDC)

2026 Budget + 3 Year Forecast

The Buffalo and Erie County Regional Development Corporation ("RDC") operates two revolving loan funds ("RLF") that provide loans to eligible businesses under each RLF's lending parameters. One, the Coronavirus Aid, Release, and Economic Security (CARES) Act RLF, has federal restrictions.

A. Key Budget Assumptions:

In 2026, the RDC expects to fund new loans of around $1.8 million. This is expected to be offset by $1.4 million in loan repayments to the RLFs. Interest income on loans is expected to be around $580,000 for 2026, which represents a 6.7% increase from the $543,800 projected for 2025.

B. Overview of Changes in 2026 Budget:

Key changes between the 2026 budget and the projected 2025 results are:

- The ECIDA Management Fee represents a fee charged by the ECIDA for services that its employees provide to the revolving loan funds, since RDC has no employees of its own. The fee is expected to increase by $7,000 or 2.6% in 2026 due to anticipated increases in ECIDA staff salaries and benefits.

- The budgeted amount for the provision for loan losses is $300,000 for 2026. The provision represents approximately 2.0% of the estimated active loan portfolio balance. The mission of the RDC is to deal primarily with businesses unable to adequately finance operations through normal commercial banking channels. Historically, the loan fund has been a working capital lender, rather than a fixed asset lender, taking junior collateral positions. The CARES Act RLF operates with a higher risk tolerance than our legacy RLF, which will likely result in higher loan losses. The charge-off rate for loans issued over the past 10 years is about 4.8%, versus a historical portfolio charge-off rate of approximately 20.42%.

C. Summary of Risk Factors Impacting the 2026 Budget:

The following significant risk factors may influence the 2026 budget:

1. Due to the numerous uncertainties, value of collateral, guarantees, etc., RDC's actual loan losses may vary significantly from the loan loss amount budgeted.

2. Interest income may vary from the budgeted amount as the budget is based on an estimate of active loans. Due to economic factors and the overall business climate, loans closed could vary significantly from estimates.

BUFFALO & ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION ("RDC")

Budget for 2026

	Budget 2026	Approved Budget 2025	Projected 2025	Actual 2024
REVENUES:				
Interest Income - Loans	$ 580,000	$ 600,000	$ 543,779	$ 576,778
Administrative Fees	17,500	17,500	25,000	4,050
Grant Income	-	-	-	12,509
Other Income	2,500	2,500	219	16
Interest Income - Cash & Investments	137,700	77,700	259,731	187,177
Total Revenues	737,700	$ 697,700	$ 828,728	$ 780,530
EXPENSES:				
ECIDA Management Fee*	278,000	288,000	271,000	277,315
Provision for Loan Losses	300,000	350,000	4,711	160,968
Rent & Facilities Expenses	27,000	27,200	27,000	23,676
Professional Services	38,750	51,900	30,668	30,475
General Office Expenses	8,875	3,500	53	2,344
Marketing Expense	35,000	18,275	34,296	25,641
Total Expenses	687,625	738,875	367,727	520,418
NET INCOME/(LOSS):	$ 50,075	$ (41,175)	$ 461,001	$ 260,111

* Represents an allocation of salary and benefit costs from the ECIDA based on staff time charged to the RDC.

Provision for Loan Losses	2026 Budget	2025 Budget
Estimated Loan Balance	$ 14,910,000	$ 20,078,000
Provision for Loan Losses	$ 300,000	$ 350,000
Percentage of Loans	2.0%	1.7%

	Legacy Fund	CARES Act RLF
Capital Base	$ 18,925,636	$ 5,030,834
Loans outstanding at 8/31/2025	13,808,168	2,635,087
Balance remaining	$ 5,117,468	$ 2,395,746

BUFFALO & ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION ("RDC")
2026 Budget and Three Year Forecast 2027-2029

	Budget 2026	Forecast 2027	Forecast 2028	Forecast 2029
REVENUES:				
Interest Income - Loans	$ 580,000	$ 585,000	$ 590,000	$ 595,000
Administrative Fees	17,500	15,000	15,000	15,000
Other Income	2,500	5,000	5,000	5,000
Interest Income - Cash & Investments	137,700	50,000	50,000	50,000
Total Revenues	737,700	655,000	660,000	665,000
EXPENSES:				
ECIDA Management Fee*	278,000	284,000	290,000	296,000
Provision for Loan Losses	300,000	300,000	300,000	300,000
Rent & Facilities Expenses	27,000	28,000	28,000	28,000
Professional Services	38,750	40,000	40,000	40,000
General Office Expenses	8,875	3,500	3,500	3,500
Marketing Expense	35,000	10,000	10,000	10,000
Total Expenses	687,625	665,500	671,500	677,500
NET INCOME/(LOSS):	$ 50,075	$ (10,500)	$ (11,500)	$ (12,500)

* Represents an allocation of salary and benefit costs from the ECIDA based on time charged to the RDC.

Budget Report for Buffalo and Erie County Regional Development Corporation

Fiscal Year Ending: 12/31/2026

Run Date: 10/27/2025
Status: CERTIFIED
Certified Date:10/27/2025

Budget & Financial Plan **Budgeted Revenues, Expenditures, And Changes in Current Net Assets.**

		Last Year (Actual) 2024	Current Year (Estimated) 2025	Next Year (Adopted) 2026	Proposed 2027	Proposed 2028	Proposed 2029
REVENUE & FINANCIAL SOURCES							
Operating Revenues							
	Charges For Services	$4,050.00	$25,000.00	$17,500.00	$15,000.00	$15,000.00	$15,000.00
	Rental And Financing Income	$576,778.00	$543,779.00	$580,000.00	$585,000.00	$590,000.00	$595,000.00
	Other Operating Revenues	$0.00	$0.00	$0.00	$5,000.00	$5,000.00	$5,000.00
Non-Operating Revenues							
	Investment Earnings	$187,176.00	$259,731.00	$137,700.00	$50,000.00	$50,000.00	$50,000.00
	State Subsidies/Grants	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
	Federal Subsidies/Grants	$12,509.00	$0.00	$0.00	$0.00	$0.00	$0.00
	Municipal Subsidies/Grants	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
	Public Authority Subsidies	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
	Other Nonoperating Revenues	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
	Proceeds From The Issuance Of Debt	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Total revenues and financing sources		**$780,513.00**	**$828,510.00**	**$735,200.00**	**$655,000.00**	**$660,000.00**	**$665,000.00**
EXPENDITURES							
Operating Expenditures							
	Salaries And Wages	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
	Other Employee Benefits	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
	Professional Services Contracts	$30,475.00	$30,668.00	$38,750.00	$40,000.00	$40,000.00	$40,000.00
	Supplies And Materials	$490.00	$0.00	$500.00	$0.00	$0.00	$0.00
	Other Operating Expenses	$489,438.00	$336,841.00	$645,875.00	$625,500.00	$631,500.00	$637,500.00
Non-Operating Expenditures							
	Payment Of Principal On Bonds And Financing Arrangements	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
	Interest And Other Financing Charges	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
	Subsidies To Other Public Authorities	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
	Capital Asset Outlay	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
	Grants And Donations	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
	Other Nonoperating Expenses	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Total expenses		**$520,403.00**	**$367,509.00**	**$685,125.00**	**$665,500.00**	**$671,500.00**	**$677,500.00**
	Capital Contributions	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Excess (Deficiency) Of Revenues And Capital Contributions Over Expenses		**$260,110.00**	**$461,001.00**	**$50,075.00**	**($10,500.00)**	**($11,500.00)**	**($12,500.00)**

The authority's budget, as presented to the Board of Directors, is posted on the following website: https://www.ecidany.com/about-us-corporate-reports

Additional Comments