

**Buffalo & Erie County
Regional Development Corporation
2027 Budget**

Regional Development Corporation (RDC)

2027 Budget + 3 Year Forecast

expected to be around \$620,000 for 2027, which represents a 5.9% increase from the \$585,500 projected for 2026.

B. Overview of Changes in 2027 Budget:

Key changes between the 2027 budget and the projected 2026 results are:

- The ECIDA Management Fee represents a fee charged by 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 \$9,000 or 3.0% in 2027 due to anticipated increases in ECIDA staff salaries and benefits.
- The budgeted amount for the provision for loan losses is \$250,000 for 2027. The provision represents approximately 1.6% 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 combined charge-off rate for loans issued over the past 10 years is about 5.0%, versus a historical portfolio charge-off rate of approximately 26.75%.

C. Summary of Risk Factors Impacting the 2027 Budget:

The following significant risk factors may influence the 2027 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")
2027 Budget

	Approved Budget 2027	Approved Budget 2026	Projected 2026	Actual 2025
REVENUES:				
Interest Income - Loans	\$ 620,000	\$ 580,000	\$ 590,367	\$ 566,443
Administrative Fees	20,000	17,500	27,880	18,500
Other Income	3,000	2,500	718	40,054
Total Revenues	643,000	600,000	618,965	624,997
EXPENSES:				
ECIDA Management Fee*	\$ 307,000	\$ 278,000	\$ 298,000	\$ 282,599
Provision for Loan Losses	250,000	300,000	(55,872)	68,070
Rent & Facilities Expenses	27,000	27,000	27,000	26,563
Professional Services	44,700	38,750	45,345	35,258
General Office Expenses	6,250	8,875	981	833
Marketing Expense	50,000	35,000	46,415	41,665
Total Expenses	684,950	687,625	361,870	454,988
OPERATING INCOME(LOSS):	(41,950)	(87,625)	257,096	170,009
NONOPERATING REVENUE:				
Interest Income - Cash & Investments	187,800	137,700	257,036	208,659
NET INCOME/(LOSS):	\$ 145,850	\$ 50,075	\$ 514,132	\$ 378,668

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

Provision for Loan Losses	<u>2027 Budget</u>	<u>2026 Budget</u>
Estimated Loan Balance	\$ 15,370,000	\$ 14,910,000
Provision for Loan Losses	\$ 250,000	\$ 300,000
Percentage of Loans	1.6%	2.0%
	<u>Legacy Fund</u>	<u>CARES Act RLF</u>
Capital Base	\$ 17,616,282	\$ 3,935,893
Loans outstanding at 8/31/2026	13,371,776	2,367,006
Balance remaining	<u>\$ 4,244,506</u>	<u>\$ 1,568,886</u>

BUFFALO & ERIE COUNTY REGIONAL DEVELOPMENT CORPORATION ("RDC")
2027 Budget and Three Year Forecast 2028-2030

	Approved Budget 2027	Forecast 2028	Forecast 2029	Forecast 2030
REVENUES:				
Interest Income - Loans	\$ 620,000	\$ 625,000	\$ 630,000	\$ 635,000
Administrative Fees	20,000	15,000	15,000	15,000
Other Income	3,000	5,000	5,000	5,000
Total Revenues	643,000	645,000	650,000	655,000
EXPENSES:				
ECIDA Management Fee*	\$ 307,000	\$ 314,000	\$ 321,000	\$ 328,000
Provision for Loan Losses	250,000	275,000	275,000	275,000
Rent & Facilities Expenses	27,000	28,000	28,000	28,000
Professional Services	44,700	40,000	40,000	40,000
General Office Expenses	6,250	3,500	3,500	3,500
Marketing Expense	50,000	10,000	10,000	10,000
Total Expenses	684,950	670,500	677,500	684,500
OPERATING INCOME(LOSS):	(41,950)	(25,500)	(27,500)	(29,500)
NONOPERATING REVENUE:				
Interest Income - Cash & Investments	187,800	50,000	50,000	50,000
NET INCOME/(LOSS):	\$ 145,850	\$ 24,500	\$ 22,500	\$ 20,500

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

Budget Report for Buffalo and Erie County Regional Development Corporation

Fiscal Year Ending: 12/31/2027

Run Date: 10/29/2026
Status: CERTIFIED
Certified Date: 10/29/2026

Budget & Financial Plan

Budgeted Revenues, Expenditures, And Changes in Current Net Assets

	Last Year (Actual) 2025	Current Year (Estimated) 2026	Next Year (Adopted) 2027	Proposed 2028	Proposed 2029	Proposed 2030
REVENUE & FINANCIAL SOURCES						
Operating Revenues						
Charges For Services	\$18,500.00	\$27,880.00	\$20,000.00	\$15,000.00	\$15,000.00	\$15,000.00
Rental And Financing Income	\$566,443.00	\$590,367.00	\$620,000.00	\$625,000.00	\$630,000.00	\$635,000.00
Other Operating Revenues	\$0.00	\$0.00	\$0.00	\$5,000.00	\$5,000.00	\$5,000.00
Non-Operating Revenues						
Investment Earnings	\$208,659.00	\$257,036.00	\$187,800.00	\$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	\$0.00	\$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	\$793,602.00	\$875,283.00	\$827,800.00	\$695,000.00	\$700,000.00	\$705,000.00
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	\$35,258.00	\$45,345.00	\$44,700.00	\$40,000.00	\$40,000.00	\$40,000.00
Supplies And Materials	\$0.00	\$481.00	\$500.00	\$0.00	\$0.00	\$644,500.00
Other Operating Expenses	\$379,676.00	\$315,325.00	\$636,750.00	\$630,500.00	\$637,500.00	\$0.00
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	\$414,934.00	\$361,151.00	\$681,950.00	\$670,500.00	\$677,500.00	\$684,500.00
Excess (Deficiency) Of Revenues And Capital Contributions Over Expenses	\$378,668.00	\$514,132.00	\$145,850.00	\$24,500.00	\$22,500.00	\$20,500.00



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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