

**BUFFALO ERIE NIAGARA LAND  
IMPROVEMENT CORPORATION AND ITS SUBSIDIARY**  
*Consolidated Financial Statements, Supplementary Information,  
and Other Information  
for the Years Ended December 31, 2025  
and 2024 and Independent Auditors' Reports*

**BUFFALO ERIE NIAGARA LAND  
IMPROVEMENT CORPORATION AND ITS SUBSIDIARY**  
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**Years Ended December 31, 2025 and 2024**

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### INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the  
Buffalo Erie Niagara Land Improvement Corporation:

#### Report on the Audit of the Consolidated Financial Statements

##### *Opinion*

We have audited the consolidated financial statements of the Buffalo Erie Niagara Land Improvement Corporation and its subsidiary (collectively referred to as the "Corporation"), which comprise the consolidated statements of financial position as of December 31, 2025 and 2024, and the related consolidated statements of activities and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation as of December 31, 2025 and 2024, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

##### *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* ("GAS") 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 the Corporation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for one year after the date that the consolidated financial statements are issued.

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 GAS 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 consolidated financial statements.

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 the Corporation'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation'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.

### ***Supplementary Information***

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying Supplementary Information and Other Information, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and, except for that portion marked "unaudited," was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information, except for that portion marked "unaudited," has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with the auditing standards generally accepted in the United States of America. In our

opinion, except for that portion marked “unaudited,” on which we express no opinion nor any assurance, the information is fairly stated in all material respects in relation to the consolidated 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 25, 2026 on our consideration of the Corporation’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely 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 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 the Corporation’s internal control over financial reporting and compliance.

*Drescher & Malecki LLP*

March 25, 2026

# FINANCIAL SECTION

**BUFFALO ERIE NIAGARA LAND  
IMPROVEMENT CORPORATION AND ITS SUBSIDIARY**  
Consolidated Statements of Financial Position  
December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 1,582,240	\$ 2,722,169
Investments	10,410,542	3,569,945
Prepaid expenses	<u>8,803</u>	<u>7,878</u>
Total current assets	<u>12,001,585</u>	<u>6,299,992</u>
Noncurrent assets:		
Security deposits	1,856	1,856
Assets held for sale	<u>20,446,667</u>	<u>3,144,653</u>
Total noncurrent assets	<u>20,448,523</u>	<u>3,146,509</u>
Total assets	<u>\$ 32,450,108</u>	<u>\$ 9,446,501</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Operating accounts payable	\$ 72,149	\$ 139,907
Amounts due to municipalities	158,569	224,752
Unearned revenue	<u>8,868,369</u>	<u>4,127,740</u>
Total current liabilities	<u>9,099,087</u>	<u>4,492,399</u>
Noncurrent liabilities:		
Loans payable	<u>2,162,584</u>	<u>-</u>
Total noncurrent liabilities	<u>2,162,584</u>	<u>-</u>
Total liabilities	<u>11,261,671</u>	<u>4,492,399</u>
Net assets:		
Without donor restrictions	<u>21,188,437</u>	<u>4,954,102</u>
Total net assets	<u>21,188,437</u>	<u>4,954,102</u>
Total liabilities and net assets	<u>\$ 32,450,108</u>	<u>\$ 9,446,501</u>

The notes to the consolidated financial statements are an integral part of these statements.

**BUFFALO ERIE NIAGARA LAND  
IMPROVEMENT CORPORATION AND ITS SUBSIDIARY**  
Consolidated Statement of Activities  
Year Ended December 31, 2025

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues:			
Grant revenue	\$ 16,842,447	\$ -	\$ 16,842,447
Property sales	321,004	-	321,004
Total revenues	<u>17,163,451</u>	<u>-</u>	<u>17,163,451</u>
Expenses:			
Cost of sales	698,519	-	698,519
Salary expenses	576,501	-	576,501
Retirement contributions	38,120	-	38,120
Professional services	70,535	-	70,535
Office expenses	99,691	-	99,691
Other expenses	29,345	-	29,345
Total expenses	<u>1,512,711</u>	<u>-</u>	<u>1,512,711</u>
Change in net assets from operating activities	15,650,740	-	15,650,740
Nonoperating activities:			
Interest income	450,434	-	450,434
Unrealized gain on investments	133,161	-	133,161
Total nonoperating activities	<u>583,595</u>	<u>-</u>	<u>583,595</u>
Change in net assets	16,234,335	-	16,234,335
Total net assets—beginning	<u>4,954,102</u>	<u>-</u>	<u>4,954,102</u>
Total net assets—ending	<u>\$ 21,188,437</u>	<u>\$ -</u>	<u>\$ 21,188,437</u>

The notes to the consolidated financial statements are an integral part of this statement.

**BUFFALO ERIE NIAGARA LAND  
IMPROVEMENT CORPORATION AND ITS SUBSIDIARY**  
Consolidated Statement of Activities  
Year Ended December 31, 2024

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenues:			
Grant revenue	\$ 2,234,007	\$ -	\$ 2,234,007
Property sales	443,400	-	443,400
Total revenues	<u>2,677,407</u>	<u>-</u>	<u>2,677,407</u>
Expenses:			
Cost of sales	626,099	-	626,099
Salary expenses	430,441	-	430,441
Retirement contributions	41,023	-	41,023
Professional services	88,520	-	88,520
Office expenses	67,780	-	67,780
Other expenses	27,251	-	27,251
Total expenses	<u>1,281,114</u>	<u>-</u>	<u>1,281,114</u>
Change in net assets from operating activities	1,396,293	-	1,396,293
Nonoperating activities:			
Interest income	213,470	-	213,470
Realized gain on investments	14,007	-	14,007
Total nonoperating activities	<u>227,477</u>	<u>-</u>	<u>227,477</u>
Change in net assets	1,623,770	-	1,623,770
Total net assets—beginning	<u>3,330,332</u>	<u>-</u>	<u>3,330,332</u>
Total net assets—ending	<u>\$ 4,954,102</u>	<u>\$ -</u>	<u>\$ 4,954,102</u>

The notes to the consolidated financial statements are an integral part of this statement.

**BUFFALO ERIE NIAGARA LAND  
IMPROVEMENT CORPORATION AND ITS SUBSIDIARY**  
Consolidated Statements of Cash Flows  
Years Ended December 31, 2025 and 2024

	<b>2025</b>	<b>2024</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets from operating activities	\$ 15,650,740	\$ 1,396,293
Adjustments to reconcile change in net assets from operating activities to net cash provided by operating activities:		
Decrease in receivables	-	40,480
(Increase) in prepaid expenses	(925)	(2,597)
(Increase) in assets held for sale	(17,302,014)	(2,199,369)
(Decrease) increase in operating accounts payable	(67,758)	122,142
(Decrease) in amounts due to municipalities	(66,183)	(115,228)
Increase in unearned revenue	4,740,629	4,127,740
Net cash provided by operating activities	2,954,489	3,369,461
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
(Purchase) of investments	(6,840,597)	(3,569,945)
Interest income and unrealized/realized gain on investments	583,595	227,477
Net cash used for investing activities	(6,257,002)	(3,342,468)
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from loans payable	2,162,584	-
Net cash provided by financing activities	2,162,584	-
Net (decrease) increase in cash and cash equivalents	(1,139,929)	26,993
Cash and cash equivalents—beginning	2,722,169	2,695,176
Cash and cash equivalents—ending	\$ 1,582,240	\$ 2,722,169

The notes to the financial statements are an integral part of these statements.

**BUFFALO ERIE NIAGARA LAND  
IMPROVEMENT CORPORATION AND ITS SUBSIDIARY**  
**Notes to the Consolidated Financial Statements**  
**Years Ended December 31, 2025 and 2024**

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**1. DESCRIPTION OF THE ORGANIZATION**

The Buffalo Erie Niagara Land Improvement Corporation and its Subsidiary (collectively referred to as “the Corporation”, was organized on June 6, 2012, pursuant to Article 16 of the Not-for-Profit Corporation Law of the State of New York. The Corporation was formed through a joint venture of the County of Erie and Cities of Buffalo, Lackawanna, and Tonawanda. The Corporation was created to confront and alleviate the problems distressed properties cause to communities by supporting municipal and regional revitalization efforts and strategically acquiring, improving, assembling, and selling distressed, vacant, abandoned, and/or tax-delinquent properties.

During 2024, the Corporation formed a single member New York limited liability corporation, BENLIC Development LLC (“BDLLC”). BDLLC is a wholly owned subsidiary of the Corporation and was formed pursuant to the authority granted to Land Banks in Section 1607 of the New York State Not-For-Profit Law in order to acquire and redevelop properties that might pose potential liability risk. Financial activity for BDLLC, which primarily represents property acquisitions and improvements, is included within the Corporation’s financial statements.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Presentation***—The Corporation prepares its consolidated financial statements in accordance with generally accepted accounting principles in the United States of America (“GAAP”) for not-for-profit organizations. The significant accounting and reporting policies used by the Corporation are described subsequently to enhance the usefulness and understandability of the financial statements.

***Basis of Accounting***—The accounts of the Corporation are maintained on the accrual basis of accounting. As such, revenues are recognized in the period in which they are earned and expenses are recognized in the period in which they are incurred. The significant accounting and reporting policies used by the Corporation are described below to enhance the usefulness and understandability of the financial statements.

***Use of Estimates***—The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of revenues and expenses during the reporting period and the reported amounts of assets and liabilities at the date of the consolidated financial statements. On an ongoing basis, the Corporation’s management evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The Corporation’s management believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from those estimates.

***Net Assets***—The consolidated financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as presented below:

***Net Assets Without Donor Restrictions***—Resources available to support the mission and general operations of the Corporation and not subject to donor (or certain grantor) restrictions.

**Net Assets With Donor Restrictions**—The Corporation reports gifts of cash and other assets as restricted support if they are received with donor-imposed restrictions that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. The Corporation reported \$0 of net assets with donor restrictions at December 31, 2025 and 2024.

**Cash and Cash Equivalents**—Cash and cash equivalents include cash on hand, cash on deposit with financial institutions and other highly liquid investments with maturities at the date of purchase of three months or less and are carried at cost, which approximates fair value.

**Investments**—Consists of amounts invested in United States treasury securities. Investments are recorded at fair value, as determined by quoted market prices at the balance sheet date.

**Prepaid Expenses**—Certain payments reflect costs applicable to future accounting periods and are recorded as prepaid expenses. The cost of prepaid expenses is recorded as expenses when consumed rather than purchased. The Corporation reported prepaid expenses of \$8,803 and \$7,878 at December 31, 2025 and 2024, respectively.

**Security Deposits**—Represents the security deposit paid by the Corporation related to their office space rental. The Corporation reported a security deposit of \$1,856 at December 31, 2025 and 2024.

**Assets Held for Sale**—Properties acquired by the Corporation for sale are recorded at the lower of carrying amount or fair market value upon acquisition, plus any related capital improvement costs. Mark to market adjustments are made upon sale of individual properties.

**Amounts Due to Municipalities**—Represents amounts due to municipalities for certain estimated back taxes and fees on acquired property held for sale, which are expected to be paid to the appropriate municipalities upon sale of property. The Corporation reported amounts due of \$158,569 and \$224,752 at December 31, 2025 and 2024, respectively.

**Unearned Revenues**—Certain cash receipts have not met the revenue recognition criteria for financial reporting purposes. At December 31, 2025 and 2024, the Corporation reported unearned revenues of \$8,868,369 and \$4,127,740, respectively. The Corporation received cash in advance related to American Rescue Plan Act (“ARPA”) funding received from the City of Buffalo and Erie County but has not performed the services, and therefore recognizes a liability.

**Loans Payable**—Represents the Corporation’s construction loan with Evans Bank and an AHOP loan (Affordable Home Ownership Program) for the Adams Street Infill Initiative. The Adams Street Infill Initiative is an affordable housing development funded by NYS Homes and Community Renewal’s Affordable Home Ownership Program, with additional support from NBT Bank and the City of Buffalo.

**Grant Revenue**—The Corporation receives grant revenue from New York State, other agencies and pass-through entities. Grant revenue is recognized when the qualifying costs are incurred for cost-reimbursement grants or contracts, or when a unit of service is provided for performance grants. The Corporation reported \$16,842,447 and \$2,234,007 of grant revenue for the years ended December 31, 2025 and 2024, respectively. Of this total amount, \$8,338,115 and \$6,467,149 represents ARPA funds passed through from Erie County and City of Buffalo, respectively, for the year ended December 31, 2025.

**Tax Status**—The organization is incorporated exempt from federal income taxation under section 501(c)(3) of the Internal Revenue Code (“IRC”), though it would be subject to tax on income unrelated to its exempt purposes (unless that income is otherwise excluded by the IRC). All applicable tax forms for the Corporation have been filed and accepted by the Internal Revenue Service through the year ended December 31, 2024. The tax years ended December 31, 2024, 2023 and 2022 are still open to audit for federal purposes.

**Nonoperating Activities**—Certain contributions, interest income, realized and unrealized gains/(losses) on investments are considered nonoperating activities in the accompanying Consolidated Statements of Activities.

### 3. LIQUIDITY AND AVAILABILITY

For the years ended December 31, 2025 and 2024, the Corporation reported cash and cash equivalents of \$1,582,240 and \$2,722,169, respectively, as financial assets available for general expenses that are without donor or other restrictions limiting their use, within one year of the balance sheet date.

Investments totaling \$10,410,542 and \$3,569,945 at December 31, 2025 and 2024, respectively, are primarily derived from ARPA funding received in advance from the City of Buffalo and Erie County. These amounts will be used as the Corporation continues to incur expenses related to eligible property improvements.

### 4. CONCENTRATIONS OF RISK

Amounts held in financial institutions occasionally are in excess of the Federal Deposit Insurance Corporation (“FDIC”) and Securities Investor Protection Corporation limits. The Corporation has entered into custodial agreements with the banking institution which holds their deposits. These agreements authorize the obligation that may be pledged as collateral. Obligations that may be pledged as collateral are outlined in Chapter 623 of the laws of the State of New York.

**Deposits**—All deposits are carried at fair value and are classified by custodial credit risk at December 31, 2025 as follows:

	Bank Balance	Carrying Balance
FDIC insured	\$ 250,000	\$ 250,000
Uninsured:		
Collateral held by pledging bank's agent in entity's name	<u>1,410,952</u>	<u>1,332,240</u>
Total	<u>\$ 1,660,952</u>	<u>\$ 1,582,240</u>

**Custodial Credit Risk—Deposits**—Custodial credit risk is the risk that in the event of a bank failure, the Corporation’s deposits may not be returned to it. At December 31, 2025, the Corporation’s deposits were either FDIC insured or collateralized with securities held by the pledging bank’s agent in the Corporation’s name.

The Corporation’s investments are subject to various risks, such as interest rate, credit, and overall market volatility risk. Because of the level of risk inherent in most investments, it is reasonably possible that change in the values of these investments could occur in the near term. Management is of the opinion that the diversification of its invested assets and their investment strategy should mitigate the impact of such changes.

## 5. FAIR VALUE MEASUREMENTS

The Corporation reports its fair value measures using a three-level hierarchy that prioritizes the inputs used to measure fair value. This hierarchy, established by GAAP, requires that entities maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs used to measure fair value are as follows:

- Level 1. Quoted prices for identical assets or liabilities in active markets to which the Center has access at the measurement date.
- Level 2. Inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:
  - Quoted prices for similar assets or liabilities in active markets;
  - Quoted prices for identical or similar assets in markets that are not active;
  - Observable inputs other than quoted prices for the asset or liability (for example, interest rates and yield curves; and
  - Inputs derived principally from, or corroborated by, observable market data by correlation or by other means.
- Level 3. Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

## 6. INVESTMENTS

Investments consisted of the following at December 31, 2025 and 2024.

	2025		2024	
	Fair Value	Cost	Fair Value	Cost
Treasury bills	\$ 10,410,542	\$ 8,173,407	\$ 3,569,945	\$ 3,555,938
Total investments	\$ 10,410,542	\$ 8,173,407	\$ 3,569,945	\$ 3,555,938

All of the Corporation's investments were considered to be Level 1 measurements.

Net investment income from investments is summarized as follows for the years ended December 31, 2025 and 2024:

	2025	2024
Interest income	\$ 450,434	\$ 213,470
Net realized gain on investments	-	14,007
Net unrealized gain on investments	133,161	-
Total	\$ 583,595	\$ 227,477

## 7. ASSETS HELD FOR SALE

Assets held for sale consists of the following components at December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Carrying amount of properties held	\$ 6,714,733	\$ 141,053
Property improvements	<u>13,731,934</u>	<u>3,003,600</u>
Total	<u>\$ 20,446,667</u>	<u>\$ 3,144,653</u>

## 8. LOANS PAYABLE

Loans payable consists of the following components at December 31, 2025 and 2024.

	<u>2025</u>	<u>2024</u>
NBT Bank loan	\$ 1,124,318	\$ -
AHOP loan	<u>1,038,266</u>	<u>-</u>
Total loans payable	<u>\$ 2,162,584</u>	<u>\$ -</u>

During 2025, the Corporation entered into loans with New York State Homes and Community Renewal related to the Affordable Homeownership Opportunity Program and NBT Bank. The NBT loan carries an interest rate of 4.0% and matures on February 1, 2027. Total draws on the NBT Bank loan for the year ended December 31, 2025 were \$1,124,318. For the AHOP loan, the interest rate is 0.5%; however, management believes the total AHOP loan balance will be forgiven upon project completion. Total draws on the AHOP loan for the year ended December 31, 2025 were \$1,038,266. The Corporation is paying interest only on these loans until projects are completed and they sell properties related to the Adams Street Project.

## 9. NET ASSETS

***Without Donor Restrictions***—Include resources available to support operations. At December 31, 2025 and 2024, the Corporation reported \$21,188,437 and \$4,954,102, respectively, in net assets without donor restrictions.

***With Donor Restrictions***—Include resources of the Corporation whose use is limited by time or purpose stipulations that can be fulfilled and removed by actions of the Corporation, pursuant to contractual agreement. As of December 31, 2025 and 2024, the Corporation reported \$0 of net assets with donor restrictions.

## 10. FUNCTIONAL EXPENSES

A summary of the Corporation's operating expenses for the years ended December 31, 2025 and 2024, classified by function, are shown on the following page.

	2025		
	Support	Program	Total
	Activities	Activities	
	Management &	Property	
Administration	Management		
Cost of sales	\$ -	\$ 698,519	\$ 698,519
Salary expenses	304,998	271,503	576,501
Retirement contributions	20,167	17,953	38,120
Professional services	70,535	-	70,535
Office expenses	99,691	-	99,691
Other expenses	21,451	7,894	29,345
Total	<u>\$ 516,842</u>	<u>\$ 995,869</u>	<u>\$ 1,512,711</u>

	2024		
	Support	Program	Total
	Activities	Activities	
	Management &	Property	
Administration	Management		
Cost of sales	\$ -	\$ 626,099	\$ 626,099
Salary expenses	263,831	166,610	430,440
Retirement contributions	25,144	15,879	41,023
Professional services	88,520	-	88,520
Office expenses	67,780	-	67,780
Other expenses	19,070	8,182	27,252
Total	<u>\$ 464,345</u>	<u>\$ 816,770</u>	<u>\$ 1,281,114</u>

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Corporation. Those expenses include salary expenses, retirement contributions, and other expenses. The natural classifications of salary expenses and retirement contributions are allocated based on estimates of time and effort.

## 11. CONTINGENCIES

In the normal course of operations, the Corporation receives grant funds from State and other agencies. These grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting of funds. Any disallowed expenses resulting from such audits could become a liability to the Corporation. While the amount of any expense that may be disallowed cannot be determined at this time, management expects any amounts to be immaterial.

## 12. SUBSEQUENT EVENTS

Management has evaluated subsequent events through March 25, 2026, which is the date the consolidated financial statements are available for issuance, and have determined there are no subsequent events that require disclosure under generally accepted accounting principles.

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## SUPPLEMENTARY INFORMATION

**BUFFALO ERIE NIAGARA LAND  
IMPROVEMENT CORPORATION AND ITS SUBSIDIARY  
Schedule of Corporation Investments  
Year Ended December 31, 2025**

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**Annual Investment Report** - §2925(6) of Public Authorities Law of the State of New York requires that each public authority must annually prepare an investment report which shall include (a) investment guidelines, (b) amendments to such guidelines since the last investment report, (c) an explanation of the investment guidelines and amendments, (d) results of the annual independent audit, (e) the investment income record of the corporation, and (f) a list of the total fees, commissions or other charges paid to each investment banker, broker, dealer and adviser rendering investment associated services to the Corporation since the last investment report.

- a. Investment guidelines—The Corporation’s investment policies are governed by State statutes. All investments are maintained in bank deposit accounts which are federally insured. The Corporation’s deposits are held at quality institutions.
- b. Amendments to guidelines—None.
- c. Explanation of guidelines and investments—These guidelines restrict investment of the Corporation’s funds to deposits in federally insured banks. The Corporation has not made any amendments to its investment policy.
- d. Results of the annual independent audit—The independent auditors have issued an unmodified opinion on the Corporation’s consolidated financial statements for the year ended December 31, 2025.
- e. Investment income record—Investment income for the year ended December 31, 2025 consisted of:

Interest income	\$ 450,434
Unrealized gains on investments	<u>133,161</u>
Total	<u>\$ 583,595</u>

- f. List of the total fees, commissions or other charges paid to each investment banker, broker, dealer and adviser rendering investment associated services to the Corporation since the last investment report—No such fees, commissions, or other charges were paid during the year ended December 31, 2025.

## OTHER INFORMATION

**BUFFALO ERIE NIAGARA LAND  
IMPROVEMENT CORPORATION AND ITS SUBSIDIARY  
Real Property Listing (Unaudited)  
Year Ended December 31, 2025**

1. **Real Property List** – §2896(3) of Public Authorities Law of the State of New York requires that each public authority must publish, at least annually, a report listing all real property of the authority. At December 31, 2025, the Corporation owned the following real property:

<b>Date Acquired</b>	<b>Section/Block/Lot Identification</b>	<b>Property Address</b>	<b>NYS Municipality</b>	<b>Recorded Value *</b>
11/24/2017	205.03-1-9	0 Lake Crest Drive	Evans	\$ 20,453
11/24/2017	92.17-2-17	257 Chapel Avenue	Cheektowaga	297,159
11/24/2017	101.28-13-8	27 Alpine Place	Cheektowaga	1,295
11/25/2017	102.53-4-7	40 Reo Avenue	Cheektowaga	1,370
11/27/2017	92.17-3-4	195 Northcrest Avenue	Cheektowaga	368,041
10/24/2018	193.13-2-1	0 South Creek Road	Evans	1,097
10/24/2018	103.760-2-17	25 A-D Glenwood Court	Cheektowaga	5,031
11/12/2019	250.11-8-45	0 Ivanhoe Street	Evans	1,028
11/12/2019	235.07-3-6.2	1035 Eden Evans Center Road	Evans	828
11/12/2019	250.17-7-3	139 Rosewood Avenue	Evans	2,563
11/12/2019	250.09-3-1.11	9579 Lake Shore Road	Evans	1,839
11/12/2019	250.07-4-26.1	9644 Jamestown Street	Evans	5,030
8/3/2022	92.15-5-10	0 Carl	Cheektowaga	3,827
8/3/2022	246.16-1-8.2	0 Hillcrest Drive	Holland	23
8/3/2022	92.150-5-47	0 Hyland Avenue	Cheektowaga	2,705
8/3/2022	269.19-8-11	10544 Main Street	North Collins	71,294
8/3/2022	101.6-7-19	1182 Walden Avenue	Cheektowaga	1,577
8/3/2022	100.25-4-20	149 Northland Avenue	Buffalo	478,620
8/3/2022	100.27-3-36	236 Brunswick Boulevard	Buffalo	618,731
8/3/2022	235.16-2-38	25 Center Street	Angola	1,480
8/3/2022	112.28-1-1	288 Lackawanna Avenue	Sloan	2,566
8/3/2022	92.15-5-9	305 Hyland Avenue	Cheektowaga	50,046
8/3/2022	101.3-3-34	33 Schuele Avenue	Buffalo	25,658
8/3/2022	90.4-3.16	702 Norfolk Avenue	Buffalo	335,599
8/3/2022	100.57-1-74	233 Masten	Buffalo	4,247
11/16/2022	90.84-3-6.1	44 Long Avenue	Cheektowaga	307,029
3/14/2024	111.26-4-16.1	590 Adams	Buffalo	179,520
3/14/2024	111.26-4-19.1	578 Adams	Buffalo	119,632
3/14/2024	111.26-4-21.1	572 Adams	Buffalo	111,967
3/14/2024	111.34-3-13	579 Adams	Buffalo	2,121
3/14/2024	111.26-4-26.1	562 Adams	Buffalo	1,919
3/14/2024	111.26-3-35.1	559 Adams	Buffalo	1,757
3/14/2024	111.34-3-2.111	544 Adams	Buffalo	68,673
3/14/2024	111.34-4-22.1	539 Adams	Buffalo	177
3/14/2024	111.34-3-6.1	540 Adams	Buffalo	1,942

(continued)

**BUFFALO ERIE NIAGARA LAND  
IMPROVEMENT CORPORATION AND ITS SUBSIDIARY  
Real Property Listing (Unaudited)  
Year Ended December 31, 2025**

<b>Date Acquired</b>	<b>Section/Block/Lot Identification</b>	<b>Property Address</b>	<b>NYS Municipality</b>	<b>Recorded Value *</b>
3/14/2024	111.34-3-7.21	536 Adams	Buffalo	2,370
3/14/2024	111.34-3-11	526 Adams	Buffalo	177
3/14/2024	111.34-3-12.1	522 Adams	Buffalo	906
8/5/2024	123.26-4-16	68 Pulaski	Buffalo	29,351
12/30/2024	88.33-4-1.1	111 Austin	Buffalo	991
12/30/2024	77.81-3-5	18 Calumet	Buffalo	1,935
12/30/2024	88.33-3-38	253 East	Buffalo	1,311
12/30/2024	88.24-2-49	362 East	Buffalo	2,088
12/30/2024	88.33-5-11	92 Gorton	Buffalo	13,445
12/30/2024	88.33-4-17	116 Hamilton	Buffalo	1,311
12/30/2024	77.81-8-34	144 Hertel	Buffalo	1,311
12/30/2024	88.33-5-30	153 Thompson	Buffalo	1,510
12/30/2024	122.32-5-36	206 Miami	Buffalo	1,119
12/30/2024	122.32-5-31	230 Miami	Buffalo	1,119
12/30/2024	122.32-5-30	236 Miami	Buffalo	1,119
12/30/2024	122.40-2-15	288 Miami	Buffalo	1,119
12/30/2024	122.40-7-23	66 O Connell	Buffalo	1,119
12/30/2024	88.28-1-16	88 Bush	Buffalo	1,311
12/30/2024	77.83-3-13	143 Howell	Buffalo	1,296
12/30/2024	90.25-1-19	762 Amherst East	Buffalo	1,330
12/30/2024	90.25-1-18	766 Amherst East	Buffalo	1,316
12/30/2024	79.81-6-29	440 Berkshire	Buffalo	1,203
12/30/2024	79.81-6-28	442 Berkshire	Buffalo	1,009
12/30/2024	90.25-1-10	447 Berkshire	Buffalo	1,311
12/30/2024	90.25-1-11	449 Berkshire	Buffalo	1,311
12/30/2024	79.74-4-25	685 Minnesota	Buffalo	1,311
12/30/2024	79.82-1-4	431 Shirley	Buffalo	1,240
12/30/2024	122.40-2-15	226 Maryland	Buffalo	1,311
12/30/2024	110.28-2-8	258 Whitney	Buffalo	1,119
12/30/2024	110.28-2-7	262 Whitney	Buffalo	1,119
12/30/2024	77.48-2-4	248 Laird	Buffalo	1,482
12/30/2024	90.24-3-19	291 Berkshire	Buffalo	1,311
12/30/2024	79.80-3-30	256 Hewitt	Buffalo	1,141
12/30/2024	79.71-7-7	143 La Salle	Buffalo	1,311
12/30/2024	99.57-1-27	911 Columbus Pkwy	Buffalo	1,311

(continued)

**BUFFALO ERIE NIAGARA LAND  
IMPROVEMENT CORPORATION AND ITS SUBSIDIARY  
Real Property Listing (Unaudited)  
Year Ended December 31, 2025**

<u>Date Acquired</u>	<u>Section/Block/Lot Identification</u>	<u>Property Address</u>	<u>NYS Municipality</u>	(concluded) <u>Recorded Value *</u>
12/30/2024	99.67-6-6	375 Connecticut	Buffalo	907
12/30/2024	99.67-6-6.1	198 Fourteenth	Buffalo	1,311
12/30/2024	99.51-4-34	383 Fourteenth	Buffalo	1,311
12/30/2024	99.83-1-15	138 Jersey	Buffalo	1,311
12/30/2024	99.83-1-14	142 Jersey	Buffalo	1,311
12/30/2024	99.83-1-13	144 Jersey	Buffalo	1,311
12/30/2024	99.5-3-25	230 Massachusetts	Buffalo	1,311
12/30/2024	99.59-5-12	251 Normal	Buffalo	1,119
12/30/2024	99.50-8-14	873 Prospect	Buffalo	1,311
12/30/2024	99.50-8-15	875 Prospect	Buffalo	1,311
12/30/2024	99.51-2-15.1	238 Rhode Island	Buffalo	1,311
12/30/2024	99.51-2-14	242 Rhode Island	Buffalo	1,311
12/30/2024	99.58-3-7	670 West	Buffalo	1,311
12/30/2024	N/A **	ARPA Infill Housing	Buffalo	13,477,495
12/30/2024	122.32-5-36	208 Miami	Buffalo	84
12/30/2024	99.51-2-15.1	240 Rhode Island	Buffalo	404
12/30/2024	92.15-5-11.1	305A Hyland	Depew	312,886
12/30/2024	Various	500 Block Adams	Buffalo	3,456,205
12/30/2024	88.33-4-32	57 Hoffman	Buffalo	918
12/30/2024	90.25-1-18	764 E Amherst	Buffalo	340
<b>Total</b>				<u>\$ 20,446,667</u>

\* Recorded value is based on lower cost or market value at date of acquisition, plus any property improvement costs. Donated properties are recorded at management's estimated fair value at acquisition.

\*\* ARPA Infill Housing represents an affordable housing initiative to build new single-family homes on vacant lots throughout Erie County.

**2. Real Property Acquisitions/Dispositions** – During the year ended December 31, 2025, the Corporation acquired 0 real properties and disposed of 5 real properties.

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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**

To the Board of Directors of the  
Buffalo Erie Niagara Land Improvement Corporation

We have audited in accordance with 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 consolidated financial statements of the Buffalo Erie Niagara Land Improvement Corporation and its subsidiary (collectively referred to as the "Corporation"), which comprise the consolidated statement of financial position as of December 31, 2025, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements and have issued our report thereon dated March 25, 2026.

#### **Report on Internal Control over Financial Reporting**

In planning and performing our audit of the consolidated financial statements, we considered the Corporation'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 consolidated financial statements, but not for the purpose of expressing our opinion on the effectiveness of the Corporation's internal control. Accordingly, we do not express an opinion on the effectiveness of the Corporation'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 may consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Corporation's consolidated 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 consolidated 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*.

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

*Drescher & Malecki LLP*

March 25, 2026