

Niagara County Industrial Development Agency

Niagara County Center for Economic Development • 6311 Inducon Corporate Drive, Ste. 1 • Sanborn, NY 14132

NCIDA/NCDC/NADC AUDIT/FINANCE COMMITTEE MEETING

Date: March 18, 2026
Time: 8:15 a.m.
Place: Niagara County Center for Economic Development
6311 Inducon Corporate Drive, Sanborn NY

NCIDA/NCDC/NADC Audit/Finance Committee Members:

____ Jason Krempa, Chairperson
____ Ryan J. Mahoney, Member
____ William Fekete, Member

Other Board Members Present:

____ Mark Onesi
____ William L. Ross
____ Mark Berube
____ David J. Masse
____ William Fekete
____ Susan C. Langdon
____ Deanna Alterio Brennen

Staff Present:

____ Andrea Klyczek, Executive Director
____ Jeremy Geartz, Director of Business Development & Retention
____ Michael S. Dudley, Director of Finance & Real Estate
____ Susan Barone, Grants, Loans & Compliance Manager
____ Julie Lamoreaux, Office & HR Administrator
____ Joseph Grenga, Project Manager
____ Mark J. Gabriele, Agency Counsel
____ Elizabeth C. Hughes, Agency Counsel

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- 1.0 Meeting Called to Order – J. Krempa**
 - 2.0 Roll Call – J. Lamoreaux**
 - 3.0 Approval of Audit Committee Meeting Minutes – J. Krempa**
 - 3.1 February 18, 2026**
 - 4.0 NCIDA Finance & Audit Committee Reports**
 - 4.1 Audit Report – Lumsden & McCormick, CPAs**
 - 4.2 Agency Payables – J. Krempa**
 - 4.3 MTD and YTD Budget Variance Report – J. Krempa**
 - 4.4 Project Closing Summary Report – M. Gabriele**
 - 5.0 Reaffirm Finance & Audit Committee Charter – J. Krempa**
 - 6.0 Adjournment**

NCIDA/NCDC/NADC AUDIT/FINANCE COMMITTEE MEETING

Date: February 18, 2026
Time: 8:45 a.m.
Place: Niagara County Center for Economic Development
6311 Inducon Corporate Drive, Sanborn NY

NCIDA/NCDC/NADC Audit/Finance Committee Members:

Jason Krempa, Chairperson - Present
Ryan Mahoney, Member - Present
William Fekete, Member – Excused

Other Board Members Present:

Mark Onesi
Mark Berube
Susan C. Langdon

Staff Present:

Andrea Klyczek, Executive Director
Jeremy Gearzt, Director of Business Development & Retention
Michael S. Dudley, Director of Finance & Real Estate
Julie Lamoreaux, Office & HR Administrator
Joseph Grenga, Project Manager
Mark J. Gabriele, Agency Counsel
Elizabeth C. Hughes, Agency Counsel

1.0 Meeting Called to Order

Mr. Krempa called the meeting to order at 8:45 a.m.

2.0 Roll Call

Ms. Lamoreaux called the roll; a quorum was established.

3.0 Approval of Audit Committee Meeting Minutes

3.1 January 14, 2026

Mr. Krempa stated that he had reviewed the meeting minutes and he made a motion for approval; Mr. Mahoney seconded the motion. The motion passed.

4.0 Agency Payables

4.1 January 31, 2026

Mr. Krempa stated that he reviewed the monthly payables and he made a motion to recommend approval of the Agency Payables to the Board Members at the Regular Board Meeting; Mr. Mahoney seconded the motion. The motion passed.

5.0 MTD and YTD Budget Variance Reports

5.1 January 31, 2026

Mr. Krempa stated that he reviewed the reports and he made a motion to recommend approval of the Budget Variance Report to the Board members at the Regular Board Meeting; Mr. Mahoney seconded the motion. The motion passed.

6.0 Project Closing Summary Report

Mr. Gabriele stated that Precision Industrial, LLC and National Vacuum Environmental Services Corp. will be closing this week. Saint-Gobain Ceramics & Plastics Inc. is still in the process of moving forward.

7.0 Adjournment

Mr. Krempa made a motion, seconded by Mr. Mahoney to adjourn the meeting. The meeting adjourned at 8:50 a.m.

Respectfully Submitted:

Reviewed by:

Julie Lamoreaux
Administrative Assistant

Andrea Klyczek
Executive Director

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**NIAGARA AREA DEVELOPMENT CORPORATION
A Component Unit of
Niagara County Industrial Development Agency**

FINANCIAL STATEMENTS

DECEMBER 31, 2025

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Niagara Area Development Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Niagara Area Development Corporation (the Corporation), a business-type activity and a component unit of Niagara County Industrial Development Agency (NCIDA), as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2025 and 2024, and the respective changes in financial position and cash flows thereof 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 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 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 the Corporation'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.

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 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.

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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 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 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 audits.

Required Supplementary Information

The Corporation has omitted management's discussion and analysis that GAAP requires to be presented to supplement the basic financial statements. Such missing 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 financial statements in an appropriate operational, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 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, 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 the Corporation'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 the Corporation's internal control over financial reporting and compliance.

March 18, 2026

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NIAGARA AREA DEVELOPMENT CORPORATION
(a Component Unit of Niagara County Industrial Development Agency)

Balance Sheets

December 31,	2025	2024
Assets		
Current assets:		
Cash	\$ 501	\$ 501
Liabilities and Net Position		
Current liabilities:		
Affiliate payable	\$ 501	\$ 501
Net position:		
Unrestricted	-	-
	<u>\$ 501</u>	<u>\$ 501</u>

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NIAGARA AREA DEVELOPMENT CORPORATION
(a Component Unit of Niagara County Industrial Development Agency)

Statements of Revenues, Expenses, and Changes in Net Position

For the years ended December 31,	2025	2024
Operating revenues:		
Administrative fees	\$ -	\$ -
Operating expenses:		
Transfer to NCIDA	-	-
Change in net position	-	-
Net position - beginning of year	-	-
Net position - end of year	\$ -	\$ -

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NIAGARA AREA DEVELOPMENT CORPORATION
(a Component Unit of Niagara County Industrial Development Agency)

Statements of Cash Flows

For the years ended December 31,	2025	2024
Operating activities:		
Transfer to NCIDA	\$ -	\$ (150,906)
Net change in cash	-	(150,906)
Cash - beginning of year	501	151,407
Cash - end of year	\$ 501	\$ 501
Reconciliation of change in net position to net cash flows from operating activities:		
Adjustments to reconcile change in net position to net cash flows from operating activities:		
Change in affiliate payable	-	(150,906)
Net operating activities	\$ -	\$ (150,906)

See accompanying notes.

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NIAGARA AREA DEVELOPMENT CORPORATION
(A Component Unit of Niagara County Industrial Development Agency)

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Nature of Organization

Niagara Area Development Corporation (the Corporation), a governmental entity, was organized to undertake and promote economic development initiatives in the Niagara County, New York area.

The Corporation is empowered to issue industrial revenue bonds that meet the definition of conduit debt obligations. Such bonds provide not-for-profit entities within Niagara County with access to capital for the acquisition, rehabilitation, and construction of industrial and commercial facilities. The bonds are secured by the properties they finance and are payable solely by the not-for-profit entities. For providing this service, the Corporation receives bond administration fees from the borrowing companies, which are recognized immediately upon issuance of bonds. The Corporation's administrative agreement with Niagara County Industrial Development Agency (NCIDA) requires that all earnings generated by the Corporation be remitted to NCIDA. At December 31, 2025, previously issued bonds have an aggregate outstanding principal amount payable of \$284,000,000, none of which is recognized as a liability by the Corporation. No tax-exempt bonds were issued in 2025 or 2024.

In accordance with accounting standards, the Corporation is considered a component unit of NCIDA. The Corporation is included in the statements of NCIDA as a blended component unit.

Basis of Presentation

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

Measurement Focus

The Corporation 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. The Corporation'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.

The Corporation'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 and payments made to purchase those goods or services. Certain other transactions are reported as nonoperating activities and include the Corporation's interest income, if any.

Subsequent Events

The Corporation has evaluated events and transactions for potential recognition or disclosure in the financial statements through March 18, 2026, the date the financial statements were available to be issued.

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

Cash management is governed by State laws and as established in the Corporation's written policies. Cash resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Management is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the United States Treasury and its Agencies, repurchase agreements, and obligations of the State or its localities.

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Custodial credit risk is the risk that, in the event of a bank failure, the Corporation'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 are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts.

At December 31, 2025 and 2024, the Corporation's bank deposits were fully insured by FDIC coverage.

Net Position

The Corporation is required to classify net position into three categories: net investment in capital assets, restricted, and unrestricted. The Corporation does not currently maintain any capital assets nor are restrictions imposed by external organizations, therefore net position (if available) is deemed to be unrestricted for general use by the Corporation.

Income Taxes

The Corporation is a governmental entity exempt from income taxes under §115 of the Internal Revenue Code. No tax filings are required and accordingly, no tax is paid.

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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
Niagara Area 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 Niagara Area Development Corporation (the Corporation), a business-type activity and a component unit of Niagara County Industrial Development Agency, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Corporation's basic financial statements, and have issued our report thereon dated March 18, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the 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 financial statements, but not for the purpose of expressing an 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 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 the Corporation'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 the Corporation'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 Corporation's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

March 18, 2026

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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
Niagara Area Development Corporation

We have audited, in accordance with auditing standards generally accepted in the United States of America, the balance sheet of Niagara Area Development Corporation (the Corporation), a business-type activity and a component unit of Niagara County Industrial Development Agency (NCIDA), as of December 31, 2025, and the related statements of revenues, expenses, and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and we have issued our report thereon dated March 18, 2026.

In connection with our audit, nothing came to our attention that caused us to believe that the Corporation 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 the Corporation'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 18, 2026

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**NIAGARA COUNTY
DEVELOPMENT CORPORATION
A Component Unit of
Niagara County Industrial Development Agency**

FINANCIAL STATEMENTS

DECEMBER 31, 2025

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Niagara County Development Corporation

Opinion

We have audited the financial statements of Niagara County Development Corporation (NCDC), a component unit of Niagara County Industrial Development Agency, as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the basic financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of NCDC as of December 31, 2025 and 2024, and the changes in its net assets 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). 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 NCDC, 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 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 NCDC's ability to continue as a going concern for one year after the date that the financial statements are issued.

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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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.

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In performing an audit in accordance with GAAS, 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 NCDC'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 NCDC'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.

Additional Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying balance sheets by loan account, statements of activities by loan account, and schedules of each of NCDC's revolving loan accounts are presented for purposes of additional analysis and are 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 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

March 18, 2026

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NIAGARA COUNTY DEVELOPMENT CORPORATION
(a Component Unit of Niagara County Industrial Development Agency)

Balance Sheets

December 31,	2025	2024
Assets		
Current assets:		
Cash	\$ 1,219,118	\$ 741,716
Investments	1,900,000	1,680,000
Loans receivable (Note 2)	171,134	538,767
	<u>3,290,252</u>	<u>2,960,483</u>
Noncurrent assets:		
Loans receivable (Note 2)	490,831	667,336
Allowance for estimated credit losses (Note 2)	(179,008)	(48,933)
	<u>311,823</u>	<u>618,403</u>
	<u>\$ 3,602,075</u>	<u>\$ 3,578,886</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable		
Third parties	\$ 3,086	\$ 3,429
NCIDA	330,316	219,495
	<u>333,402</u>	<u>222,924</u>
Net assets without donor restrictions	<u>3,268,673</u>	<u>3,355,962</u>
	<u>\$ 3,602,075</u>	<u>\$ 3,578,886</u>

See accompanying notes.

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NIAGARA COUNTY DEVELOPMENT CORPORATION
(a Component Unit of Niagara County Industrial Development Agency)

Statements of Activities

For the years ended December 31,	2025	2024
Net assets without donor restrictions		
Revenues and support:		
Interest from loans	\$ 27,872	\$ 25,191
Application fees	1,250	3,500
Interest income	47,331	10,019
Contributions and grants	660,000	580,419
Credit loss recoveries	11,925	23,256
Total revenues and support	<u>748,378</u>	<u>642,385</u>
Expenses:		
Program services		
Consultants and training	29,580	24,774
Grant expense	412,000	230,521
Provision for estimated credit losses	142,000	-
	<u>583,580</u>	<u>255,295</u>
General and administrative		
Administrative fees - NCIDA	60,000	45,000
Professional fees and other	42,087	43,944
Transfer to NCIDA	150,000	150,000
	<u>252,087</u>	<u>238,944</u>
Total expenses	<u>835,667</u>	<u>494,239</u>
Change in net assets	(87,289)	148,146
Net assets - beginning	<u>3,355,962</u>	<u>3,207,816</u>
Net assets - ending	\$ 3,268,673	\$ 3,355,962

See accompanying notes.

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NIAGARA COUNTY DEVELOPMENT CORPORATION
(a Component Unit of Niagara County Industrial Development Agency)

Statements of Cash Flows

For the years ended December 31,	2025	2024
Operating activities:		
Change in net assets	\$ (87,289)	\$ 148,146
Adjustments to reconcile change in net assets to net operating activities:		
Estimated credit losses (recovery) on loans	130,075	(23,256)
Changes in other assets and liabilities:		
Accounts payable	110,478	180,578
Net operating activities	153,264	305,468
Investing activities:		
Payments collected on loans receivable	816,138	606,119
Loans awarded	(272,000)	(584,000)
Maturities of investments	1,680,000	-
Purchase of investments	(1,900,000)	(1,680,000)
Net investing activities	324,138	(1,657,881)
Net change in cash	477,402	(1,352,413)
Cash - beginning	741,716	2,094,129
Cash - ending	\$ 1,219,118	\$ 741,716

See accompanying notes.

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NIAGARA COUNTY DEVELOPMENT CORPORATION
(a Component Unit of Niagara County Industrial Development Agency)

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Nature of Organization

Niagara County Development Corporation (NCDC) is a not-for-profit corporation which promotes economic growth and business prosperity in the County of Niagara, New York (the County). NCDC's function is to make loans at favorable interest rates to small businesses that are located in the County, thus encouraging startup of new businesses and relocation and expansion of existing businesses within the County.

In accordance with governmental accounting standards, NCDC is considered a component unit of Niagara County Industrial Development Agency (NCIDA). NCDC includes the federal funding it receives under the Single Audit Act together with NCIDA.

The membership of NCDC consists of the nine Board members of NCIDA. The governing board approves loans after giving consideration to the major criteria, including enhancement of the economic environment. Normally, these loans are made in conjunction with third-party lender financing through financial institutions. The businesses' assets and personal guarantees of the owners collateralize most of these loans; however, in many instances, NCDC's collateral interest is subordinated to the third-party lender. These loans have variable maturities dependent upon use, such as working capital or equipment acquisition. Interest income is recognized on these loans as it is earned.

Cash

At various times, cash in financial institutions may exceed federally insured limits and subject NCDC to concentrations of credit risk. NCDC has reached agreements with its financial institutions whereby amounts in excess of federal depository coverage are collateralized by investments held by the pledging bank's agent in NCDC's name.

Investments

Investments are comprised of bank certificates of deposit with original maturities of six months that are stated at fair value.

Loans Receivable

Loans receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for estimated credit losses and an adjustment to an allowance based on its assessment of the current status of individual loans, historical trends, and forecasted economic conditions.

Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance and a credit to loans receivable.

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 a loan becomes past due and does not commence again until the loan is current.

Net Assets

NCDC's financial position and activities are reported according to two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. Net assets with donor restrictions are those whose use has been limited by donors for a specific time period, purpose, or to be maintained by NCDC in perpetuity. At December 31, 2025 and 2024, NCDC's financial statements do not include any net assets with donor restrictions.

Revenue Recognition

Contributions and Grants

Contributions, including government grants, are reported at fair value at the date the contribution is made. Contributions in the form of grants received from government agencies generally consist of conditional contributions, and the revenue is recognized as NCDC meets required conditions. Any funding received before required conditions are met is reported as a refundable advance on the accompanying balance sheets.

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Application Fees

NCDC charges a standard application fee at the time an applicant applies for a loan. Such fees are non-refundable and are recognized as revenue when received.

Income Taxes

NCDC is a 501(c)(4) organization exempt from income taxes under §501(a) of the Internal Revenue Code.

Subsequent Events

Subsequent events have been evaluated by management for potential recognition or disclosure in the financial statements through March 18, 2026, the date the financial statements were available to be issued.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

2. Revolving Loan Accounts

NCDC maintains revolving loan accounts that were originally funded through the U.S. Economic Development Administration (EDA) and the U.S. Department of Housing and Urban Development (HUD). The original funding is no longer subject to such federal requirements. NCDC was awarded Coronavirus Aid, Relief, and Economic Security (CARES) Act funds of \$737,000 from EDA and received \$567,895 through December 31, 2025. NCDC established the Hospitality Emergency Loan Program (HELP) which provides loans to the hospitality industry payable over 60 months with 12 months of interest-only payments and interest at 1.5%.

NCDC also maintains a Microenterprise Revolving Loan Fund, the primary objectives of which are to assist in the establishment and expansion of microenterprise business activities within the County, create employment opportunities for residents with low to moderate income, and preserve and expand the County's tax base.

Loans made to local businesses complement private financing at interest rates ranging from 1.5% to 6.4% and with varying repayment terms. All loans are classified as commercial loans.

The following is a summary of the loans receivable:

	<u>2025</u>	<u>2024</u>
Current status	\$ 529,507	\$ 1,050,720
Non-accrual	132,458	155,383
	<u>661,965</u>	1,206,103
Less current portion	171,134	538,767
	<u>\$ 490,831</u>	\$ 667,336

The allowance for estimated credit losses totaled \$179,008 and \$48,933 at December 31, 2025 and 2024.

3. Related Party Transactions

Administrative Fees

NCIDA charges NCDC administration fees for maintaining and managing the loan portfolio and grant administration. The fees have been computed under applicable guidelines.

Fees for the Microenterprise Revolving Loan Account totaled \$60,000 and \$45,000 for the years ended December 31, 2025 and 2024.

4. Financial Assets Available for Operations

NCDC obtains financial assets generally through loan principal and interest repayments. The financial assets are acquired throughout the year to meet NCDC's cash needs for general expenditures.

NCDC's financial assets available within one year of the balance sheet date to meet cash needs for general expenditures consist of the following at December 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Cash	\$ 1,219,118	\$ 741,716
Investments	1,900,000	1,680,000
Loans receivable – current	171,134	538,767
	<u>\$ 3,290,252</u>	\$ 2,960,483

5. Commitments

As of December 31, 2025 NCDC has been awarded \$240,000 of Community Development Block Grant funds to provide loans to eligible small businesses. As of December 31, 2025, no amounts have been disbursed.

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NIAGARA COUNTY DEVELOPMENT CORPORATION
(a Component Unit of Niagara County Industrial Development Agency)

Additional Information Balance Sheets - By Loan Account

December 31, 2025

	Revolving Loan Account			Total
	EDA	HUD	Micro Enterprise	
Assets				
Current assets:				
Cash	\$ 650,819	\$ 224,580	\$ 343,719	\$ 1,219,118
Investments	900,000	1,000,000	-	1,900,000
Loans receivable	120,350	45,487	5,297	171,134
	<u>1,671,169</u>	<u>1,270,067</u>	<u>349,016</u>	<u>3,290,252</u>
Noncurrent assets:				
Loans receivable	271,075	207,579	12,177	490,831
Allowance for estimated credit losses	(37,008)	(142,000)	-	(179,008)
	<u>\$ 1,905,236</u>	<u>\$ 1,335,646</u>	<u>\$ 361,193</u>	<u>\$ 3,602,075</u>
Liabilities and Net Assets				
Current liabilities:				
Accounts payable				
Third parties	\$ -	\$ 2,675	\$ 411	\$ 3,086
NCIDA	310,000	10,000	10,316	330,316
	<u>310,000</u>	<u>12,675</u>	<u>10,727</u>	<u>333,402</u>
Net assets without donor restrictions	<u>1,595,236</u>	<u>1,322,971</u>	<u>350,466</u>	<u>3,268,673</u>
	<u>\$ 1,905,236</u>	<u>\$ 1,335,646</u>	<u>\$ 361,193</u>	<u>\$ 3,602,075</u>

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NIAGARA COUNTY DEVELOPMENT CORPORATION
(a Component Unit of Niagara County Industrial Development Agency)

Additional Information Statements of Activities - By Loan Account

For the year ended December 31, 2025

	Revolving Loan Account			Total
	EDA	HUD	Micro Enterprise	
Net assets without donor restrictions:				
Revenues and support:				
Interest from loans	\$ 22,074	\$ 4,922	\$ 876	\$ 27,872
Application fees	1,250	-	-	1,250
Interest income	27,124	20,207	-	47,331
Contributions and grants	-	360,000	300,000	660,000
Credit loss recoveries	11,925	-	-	11,925
Total revenues and support	62,373	385,129	300,876	748,378
Expenses:				
Program services				
Consultants and training	4,366	22,214	3,000	29,580
Grant expense	-	172,000	240,000	412,000
Provision for uncollectible loans	-	142,000	-	142,000
	4,366	336,214	243,000	583,580
General and administrative				
Administrative fees - NCIDA	-	-	60,000	60,000
Professional fees and other	15,471	15,175	11,441	42,087
Transfer to NCIDA	150,000	-	-	150,000
	165,471	15,175	71,441	252,087
Total expenses	169,837	351,389	314,441	835,667
Change in net assets	(107,464)	33,740	(13,565)	(87,289)
Net assets - beginning	1,702,700	1,289,231	364,031	3,355,962
Net assets - ending	\$ 1,595,236	\$ 1,322,971	\$ 350,466	\$ 3,268,673

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NIAGARA COUNTY DEVELOPMENT CORPORATION
(a Component Unit of Niagara County Industrial Development Agency)

Additional Information
Schedule of EDA Revolving Loan Account

For the year ended December 31, 2025

	Loan Closing Date	Loan Balance 01/01/25	Loans Made	Principal Paid	Loans Written Off	Loan Balance 12/31/25	Reserve for Uncollectible Loans	Interest Received
Lake Effect Ice Cream Wholesale, LLC	08/29/17	\$ 11,513	\$ -	\$ 11,513	\$ -	\$ -	\$ -	\$ 278
Niagara Shores Campground and Conference Center, LLC	08/14/18	48,933	-	11,925	-	37,008	37,008	1,784
Diverse Development Corp.	07/06/20	7,754	-	7,754	-	-	-	39
Falls Hotel LLC	07/06/20	13,915	-	13,915	-	-	-	65
Galloping Falls Corp.	07/06/20	3,750	-	3,750	-	-	-	19
Kalika Hotel LLC	07/06/20	15,043	-	15,043	-	-	-	102
Neelkanth Hotel LLC	07/06/20	11,049	-	11,049	-	-	-	62
REHC1 Inc.	07/06/20	28,347	-	28,347	-	-	-	160
Lewiston Hotel LLC	07/09/20	5,998	-	5,998	-	-	-	48
Kasturi Hotel LLC	07/24/20	28,439	-	28,439	-	-	-	142
Sairam Hotel LLC	07/24/20	17,720	-	17,720	-	-	-	100
SAI Lodging LLC	07/27/20	12,649	-	12,649	-	-	-	71
Niagara Falls Hospitality, Inc.	10/30/20	10,930	-	10,930	-	-	-	83
Jaihanumant, Inc.	10/30/20	27,545	-	27,545	-	-	-	209
Reena & Aimee, Inc.	10/30/20	20,443	-	20,443	-	-	-	154
NCRAS Five, Inc.	11/03/20	5,817	-	5,817	-	-	-	45
Shree Ganpati LLC	11/03/20	9,144	-	9,144	-	-	-	54
AMBE Corp.	11/06/20	4,410	-	583	-	3,827	-	44
Wandering Gypsy Brewing Company	11/06/20	107,302	-	23,794	-	83,508	-	1,199
Indian Ocean, LLC	08/31/21	45,395	-	27,476	-	17,919	-	572
Rupal Corporation	08/31/21	27,279	-	16,511	-	10,768	-	344
Graham Bros. Enterprises, LLC	04/10/24	150,000	-	4,301	-	145,699	-	7,819
1500 James, LLC	09/25/24	148,998	-	148,998	-	-	-	6,234
Barico Inc.	06/16/25	-	100,000	7,304	-	92,696	-	2,447
		\$ 762,373	\$ 100,000	\$ 470,948	\$ -	\$ 391,425	\$ 37,008	\$ 22,074

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NIAGARA COUNTY DEVELOPMENT CORPORATION
(a Component Unit of Niagara County Industrial Development Agency)

Additional Information Schedule of HUD Revolving Loan Account

For the year ended December 31, 2025

	Loan Closing Date	Loan Balance 01/01/25	Loans Made	Principal Paid	Loans Written Off	Loan Balance 12/31/25	Reserve for Uncollectible Loans	Interest Received
Daniel McMahon d/b/a MCM Landscaping	09/19/18	\$ 7,887	\$ -	\$ 2,351	\$ -	\$ 5,536	\$ -	\$ 599
GAM Trucking Corporation	12/12/18	5,845	-	3,865	-	1,980	-	133
LaSalle Hospitality, Inc.	07/06/20	24,598	-	24,598	-	-	-	139
Merani Hospitality, Inc.	07/06/20	40,106	-	40,106	-	-	-	226
Merani Holdings, LLC	07/06/20	53,877	-	53,877	-	-	-	303
Kabir Group Inc.	07/09/20	5,693	-	5,693	-	-	-	30
Deva Development Inc.	07/27/20	6,719	-	6,719	-	-	-	38
Pemm Niagara, LLC	06/21/24	133,075	-	29,525	-	103,550	-	3,237
Pemm Niagara, LLC	06/21/24	142,000	-	-	-	142,000	142,000	-
Brent Industries LLC	01/22/25	-	172,000	172,000	-	-	-	217
		\$ 419,800	\$ 172,000	\$ 338,734	\$ -	\$ 253,066	\$ 142,000	\$ 4,922

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NIAGARA COUNTY DEVELOPMENT CORPORATION
(a Component Unit of Niagara County Industrial Development Agency)

Additional Information
Schedule of Micro Enterprise Revolving Loan Account

For the year ended December 31, 2025

	Loan Closing Date	Loan Balance 01/01/25	Loans Made	Principal Paid	Loans Written Off	Loan Balance 12/31/25	Reserve for Uncollectible Loans	Interest Received
Legacy Dance Studio, Inc.	01/23/18	\$ 17,494	\$ -	\$ 2,598	\$ -	\$ 14,896	\$ -	\$ 734
Caribbean Flava	08/10/18	6,436	-	3,858	-	2,578	-	142
		\$ 23,930	\$ -	\$ 6,456	\$ -	\$ 17,474	\$ -	\$ 876

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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
Niagara County Development Corporation

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Niagara County Development Corporation (NCDC), a component unit of Niagara County Industrial Development Agency, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the basic financial statements, and we have issued our report thereon dated March 18, 2026.

In connection with our audit, nothing came to our attention that caused us to believe that NCDC 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 NCDC'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 18, 2026

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**NIAGARA COUNTY
INDUSTRIAL DEVELOPMENT AGENCY**

FINANCIAL STATEMENTS

DECEMBER 31, 2025

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NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Niagara County Industrial Development Agency

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Niagara County Industrial Development Agency (the Agency), 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 the Agency'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 the Agency as of December 31, 2025, and its changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

We conducted our audit 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 the Agency, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 the 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 the Agency'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.

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.

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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 the Agency'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 the Agency'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 and other required supplementary information, as listed in the table of contents, 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. 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.

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Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2026 on our consideration of the Agency'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 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 the Agency'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 the Agency's internal control over financial reporting and compliance.

March 18, 2026

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NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Management's Discussion and Analysis (Unaudited)

December 31, 2025

BACKGROUND

Niagara County Industrial Development Agency (NCIDA) is a not-for-profit public benefit corporation established in 1972 by the Niagara County (the County) Legislature. Under the provisions of the New York Industrial Development Agency Act, NCIDA is empowered to actively attract and develop economically sound commerce and industry, thereby fostering job opportunities, general prosperity, and economic welfare for all residents of the County. Management's Discussion and Analysis (MD&A) of NCIDA provides an overview of its financial activities and performance for the year ended December 31, 2025.

At the time of its creation, the primary economic development tool of NCIDA was the industrial revenue bond. Throughout the years, NCIDA received various grants from the U.S. Department of Housing and Urban Development (HUD) to establish revolving loan funds. The loan funds grew as additional grants from the U.S. Economic Development Administration and other sources helped to further capitalize it in ensuing years. NCIDA utilizes its resources to plan, implement, and support economic development within the County by promoting the stability and growth of the County's present business base, supporting the retention and creation of jobs, establishing regional and international collaborations, and attracting capital investment and new business ventures.

Niagara County Development Corporation (NCDC), a non-profit organization, was organized as a local development corporation to promote economic growth and business prosperity in the County. NCDC's function is to make loans at favorable interest rates to businesses located within the County, thus encouraging startup of new businesses and relocation and expansion of existing businesses within the County. In accordance with accounting standards, NCDC is considered a blended component unit of NCIDA. NCDC also has separate audited financial statements for the year ended December 31, 2025 that express an unmodified opinion.

Niagara Area Development Corporation (NADC) was organized to undertake and promote economic development initiatives in the County. The Legislature appointed the NCIDA Board as the NADC Board. NADC is empowered to issue industrial revenue bonds for the benefit of not-for-profit organizations. The bonds are not obligations of NADC, NCIDA, nor New York State. Neither NADC nor NCIDA record the assets or liabilities resulting from completed bond and note issues in its accounts since its primary function is to arrange financing between the borrowing companies and the bondholders. Funds arising from these agreements are controlled by trustees or banks acting as fiscal agents. For providing this service, NADC receives bond administration fees from the borrowing companies. Such administrative fee income is recognized immediately upon issuance of bonds. NADC has entered into an administrative agreement with NCIDA which requires that all fees generated by NADC be remitted to NCIDA. In accordance with accounting standards, NADC is considered a blended component unit of NCIDA.

As management of NCIDA and its component units, NCDC and NADC, we offer the readers of NCIDA's financial statements this narrative overview and analysis of the financial activities of NCIDA for the year ended December 31, 2025. We encourage readers to consider the information presented here in conjunction with NCIDA's audited financial statements.

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FINANCIAL ANALYSIS OF NCIDA

Overview of the Financial Statements

The financial statements in this annual report are those of a special-purpose government and its component units. The following statements are included:

- Balance Sheets – report NCIDA’s current and long-term financial resources, including capital assets and long-term obligations.
- Statements of Revenues, Expenses, and Changes in Net Position – report NCIDA’s operating and nonoperating revenues by major source, along with operating and nonoperating expenses.
- Statements of Cash Flows – reports NCIDA’s cash flows from operating, capital and related financing, and investing activities.

The following table summarizes NCIDA’s balance sheets at December 31, 2025 and 2024:

	2025	2024	Change	
			\$	%
Current assets	\$ 9,961,000	\$ 10,403,000	\$ (442,000)	(4.2%)
Capital assets, net	2,420,000	2,485,000	(65,000)	(2.6%)
Other noncurrent assets	1,153,000	1,155,000	(2,000)	(0.2%)
Deferred outflows of resources	179,000	205,000	(26,000)	(12.7%)
Total assets and deferred outflows of resources	\$ 13,713,000	\$ 14,248,000	\$ (535,000)	(3.8%)
Current liabilities	\$ 2,087,000	\$ 3,136,000	\$ (1,049,000)	(33.5%)
Noncurrent liabilities	159,000	116,000	43,000	37.1%
Deferred inflows of resources	865,000	591,000	274,000	46.4%
Total liabilities and deferred inflows of resources	3,111,000	3,843,000	(732,000)	(19.0%)
Total net position	10,602,000	10,405,000	197,000	1.9%
Total liabilities, deferred inflows of resources, and net position	\$ 13,713,000	\$ 14,248,000	\$ (535,000)	(3.8%)

- Current assets decreased by \$442,000 mainly as a result of a decrease in loans receivable.
- Amounts related to NCIDA’s participation in the New York State and Local Employees’ Retirement System include the net pension liability included with other noncurrent liabilities, deferred outflows of resources, and deferred inflows of resources related to pensions. The net change was an decrease of \$7,000.
- Leases receivable, included with current and other noncurrent assets, and deferred inflows of resources related to leases increased \$336,000. This increase was due to new leases offset by current year payments.
- Current liabilities decreased \$1,050,000 primarily due to NCIDA’s recognition of grant revenue previously received for the Downtown Niagara Falls Tourism Target Zone Program.
- See page 4 of this MD&A for an analysis of capital assets.

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The following table summarizes NCIDA's changes in net position for the years ended December 31, 2025 and 2024:

	2025	2024	Change	
			\$	%
Operating revenues:				
Fees, program income, and lease revenue	\$ 1,224,000	\$ 1,431,000	\$ (207,000)	(14.5%)
Grant revenue	1,813,000	846,000	967,000	114.3%
Other income	123,000	180,000	(57,000)	(31.7%)
Total operating revenues	3,160,000	2,457,000	703,000	28.6%
Operating expenses:				
Salaries, benefits, contractual, and occupancy	1,290,000	1,143,000	147,000	12.9%
Grant expense	1,565,000	496,000	1,069,000	215.5%
Depreciation and bad debts	364,000	213,000	151,000	70.9%
Total operating expenses	3,219,000	1,852,000	1,367,000	73.8%
Operating income (loss)	(59,000)	605,000	(664,000)	(109.8%)
Nonoperating revenues (expenses):				
Interest income	272,000	86,000	186,000	216.3%
Transfers to NFTA	(16,000)	(113,000)	97,000	(85.8%)
Total nonoperating revenues (expenses)	256,000	(27,000)	283,000	(1048.1%)
Change in net position	197,000	578,000	(381,000)	(65.9%)
Net position – beginning	10,405,000	9,827,000	578,000	5.9%
Net position – ending	\$ 10,602,000	\$ 10,405,000	\$ 197,000	1.9%

- Operating revenues increased \$703,000 (\$20,000 increase in 2024) due to an increase in grant revenue of \$967,000 offset by a decrease in lease revenue of \$135,000.
- NCIDA provided grants to subrecipients of \$1,153,000 from the Downtown Niagara Falls Tourism Target Fund Program and recognized corresponding revenue (\$265,000 in 2024). NCDC recognized \$660,000 of Community Development Block grant funds (\$580,000 in 2024), of which \$412,000 was provided to subrecipients in 2025 (\$231,000 in 2024) and \$172,000 was provided as loans (\$300,000 in 2024).
- Operating expenses increased \$1,367,000 (\$253,000 decrease in 2024) primarily due to \$1,565,000 in grant funds disbursed during 2025 compared to \$496,000 disbursed during 2024 as discussed above.
- Transfers to the Niagara Frontier Transportation Authority (NFTA) are based on the results of operations of Niagara Industrial Suites (NIS). Annual transfers are required based on the lease agreement between NFTA and NCIDA.

LEASEBACK, IRB PROJECTS, AND LOAN PORTFOLIO TRANSACTIONS

NCIDA's and NADC's leaseback projects and industrial revenue bond (IRB) programs closed on four new projects in 2024, which represent \$556,281,000 in new capital investments in the County. In comparison, eleven projects were closed in the prior year, which represented \$101,016,000 in capital investments.

NCDC has three Revolving Loan Funds (RLFs); separate revolving loan fund accounts were established to segregate the initial funding sources. The three accounts were established through federal grants from the Economic Development Administration and the Department of Housing and Urban Development.

NCDC's revolving loan activities included two new loans for 2025. There were four new loans made during 2024.

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CAPITAL ASSETS

	<u>2025</u>	<u>2024</u>
Land improvements	\$ 104,000	\$ 104,000
Buildings and improvements	7,551,000	7,393,000
Furniture and equipment	272,000	272,000
Infrastructure	110,000	110,000
	<u>8,037,000</u>	<u>7,879,000</u>
Accumulated depreciation	(5,617,000)	(5,394,000)
	<u>\$ 2,420,000</u>	<u>\$ 2,485,000</u>

The decrease in capital assets is attributed to \$223,000 of depreciation expense, offset by \$158,000 of building improvements.

FUTURE EVENTS AND OTHER CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

NCIDA aggressively markets its services and available industrial sites throughout the County. These activities are intended to stimulate new construction, increase the local tax base, and create employment opportunities for area residents.

Target industries include computer and electronic products manufacturing; electrical equipment, appliances, and component manufacturing; food and beverage manufacturing and processing; warehouse/distribution; and logistics and defense-related industries. These sectors were chosen to complement and not duplicate the efforts of Invest Buffalo Niagara, whose main Canadian target sectors include life sciences, medical devices, and pharmaceuticals.

NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Mark A. Onesi, Chairperson

Andrea Klyczek, Executive Director/Treasurer

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NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Balance Sheets

December 31, 2025

(with summarized comparative totals as of December 31, 2024)

	Primary Government Business-Type Activity	Component Unit Niagara County Development Corporation (Not-for-Profit)	Total Blended	Total 2024 Summarized
Assets				
Current assets:				
Cash and cash equivalents				
Unrestricted	\$ 5,727,913	\$ 1,219,118	\$ 6,947,031	\$ 1,810,159
Restricted	500,035	-	500,035	378,103
Investments	-	1,900,000	1,900,000	7,280,000
Receivables				
Trade	23,534	-	23,534	15,629
Internal balances	330,316	(330,316)	-	-
Leases (Note 6)	360,770	-	360,770	329,284
Prepaid expenses	58,186	-	58,186	51,421
Loans receivable (Note 2)	-	171,134	171,134	538,767
	<u>7,000,754</u>	<u>2,959,936</u>	<u>9,960,690</u>	<u>10,403,363</u>
Noncurrent assets:				
Loans receivable, net (Note 2)	-	311,823	311,823	618,403
Leases receivable (Note 6)	498,436	-	498,436	193,834
Capital assets, net (Note 3)	2,420,438	-	2,420,438	2,484,670
Investment in affiliate (Note 4)	342,500	-	342,500	342,500
	<u>3,261,374</u>	<u>311,823</u>	<u>3,573,197</u>	<u>3,639,407</u>
	<u>10,262,128</u>	<u>3,271,759</u>	<u>13,533,887</u>	<u>14,042,770</u>
Deferred Outflows of Resources				
Deferred outflows of resources related to pensions (Note 7)	179,158	-	179,158	204,837
	<u>179,158</u>	<u>-</u>	<u>179,158</u>	<u>204,837</u>
Total assets and deferred outflows of resources	<u>\$ 10,441,286</u>	<u>\$ 3,271,759</u>	<u>\$ 13,713,045</u>	<u>\$ 14,247,607</u>
Liabilities				
Current liabilities:				
Accounts payable	\$ 116,767	\$ 3,086	\$ 119,853	\$ 144,440
Due to other governments	129,010	-	129,010	113,244
Unearned revenue (Note 5)	1,796,035	-	1,796,035	2,836,267
Security deposits	41,855	-	41,855	41,835
	<u>2,083,667</u>	<u>3,086</u>	<u>2,086,753</u>	<u>3,135,786</u>
Long-term liabilities:				
Net pension liability (Note 7)	159,094	-	159,094	115,680
	<u>159,094</u>	<u>-</u>	<u>159,094</u>	<u>115,680</u>
	<u>2,242,761</u>	<u>3,086</u>	<u>2,245,847</u>	<u>3,251,466</u>
Deferred Inflows of Resources				
Deferred inflows of resources related to leases (Note 6)	859,206	-	859,206	523,118
Deferred inflows of resources related to pensions (Note 7)	5,836	-	5,836	67,839
	<u>865,042</u>	<u>-</u>	<u>865,042</u>	<u>590,957</u>
Net Position				
Net investment in capital assets	2,420,438	-	2,420,438	2,484,670
Restricted	-	566,446	566,446	543,569
Unrestricted	4,913,045	2,702,227	7,615,272	7,376,945
	<u>7,333,483</u>	<u>3,268,673</u>	<u>10,602,156</u>	<u>10,405,184</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 10,441,286</u>	<u>\$ 3,271,759</u>	<u>\$ 13,713,045</u>	<u>\$ 14,247,607</u>

See accompanying notes.

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NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Statements of Revenues, Expenses, and Changes in Net Position

For the year ended December 31, 2025

(with summarized comparative totals for December 31, 2024)

	Primary Government Business-Type Activity	Component Unit Niagara County Development Corporation (Not-for-Profit)	Total Blended	Total 2024 Summarized
Operating revenues:				
Fees	\$ 725,919	\$ 1,250	\$ 727,169	\$ 800,965
Program income	-	27,872	27,872	25,191
Lease revenue and common area charges	469,327	-	469,327	604,466
Administrative fees from affiliates	133,055	(60,000)	73,055	55,304
Grant revenue	1,152,750	660,000	1,812,750	845,591
Credit loss recoveries	-	11,925	11,925	23,256
Miscellaneous	38,068	-	38,068	102,875
Total operating revenues	2,519,119	641,047	3,160,166	2,457,648
Operating expenses:				
Personnel services	513,007	-	513,007	477,004
Program and contractual	301,699	71,667	373,366	361,279
Occupancy	252,081	-	252,081	158,168
Employee benefits	151,362	-	151,362	146,534
Grant expense	1,152,750	412,000	1,564,750	495,693
Provision for estimated credit losses	-	142,000	142,000	-
Depreciation	222,382	-	222,382	213,072
Total operating expenses	2,593,281	625,667	3,218,948	1,851,750
Operating income (loss)	(74,162)	15,380	(58,782)	605,898
Nonoperating revenues (expenses):				
Interest income	224,189	47,331	271,520	86,048
Transfer to Niagara Frontier Transportation Authority	(15,766)	-	(15,766)	(113,244)
Transfers	150,000	(150,000)	-	-
Total nonoperating revenues (expenses)	358,423	(102,669)	255,754	(27,196)
Net income (loss)	284,261	(87,289)	196,972	578,702
Net position - beginning	7,049,222	3,355,962	10,405,184	9,826,482
Net position - ending	\$ 7,333,483	\$ 3,268,673	\$ 10,602,156	\$ 10,405,184

See accompanying notes.

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NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Statements of Cash Flows

For the year ended December 31, 2025
(with summarized comparative totals for December 31, 2024)

	Primary Government Business-Type Activity	Component Unit Niagara County Development Corporation (Not-for-Profit)	Total Blended	Total 2024 Summarized
Operating activities:				
Cash received from loan and administrative fees	\$ 740,248	\$ 52,071	\$ 792,319	\$ 842,974
Cash received from lease, occupancy, and common area charges	469,347	-	469,347	607,872
Cash received from loan repayments, interest, and fees	-	844,010	844,010	631,310
Cash received from grantors and other sources	150,586	660,000	810,586	734,922
Payments to employees and related benefits	(657,279)	-	(657,279)	(626,135)
Loan disbursements	-	(272,000)	(272,000)	(584,000)
Payments to grantees	(1,152,750)	(412,000)	(1,564,750)	(495,693)
Payments to suppliers and other	(584,789)	(72,010)	(656,799)	(511,997)
Net operating activities	(1,034,637)	800,071	(234,566)	599,253
Capital and related financing activities:				
Purchases of equipment	(158,150)	-	(158,150)	(13,854)
Investing activities:				
Cash payments to Niagara Frontier Transportation Authority	-	-	-	(119,495)
Transfers	150,000	(150,000)	-	-
Maturities of investments	5,600,000	1,680,000	7,280,000	-
Purchase of investments	-	(1,900,000)	(1,900,000)	(7,280,000)
Interest income	224,189	47,331	271,520	86,048
Net investing activities	5,974,189	(322,669)	5,651,520	(7,313,447)
Net change in cash and cash equivalents	4,781,402	477,402	5,258,804	(6,728,048)
Cash and cash equivalents - beginning	1,446,546	741,716	2,188,262	8,916,310
Cash and cash equivalents - ending	\$ 6,227,948	\$ 1,219,118	\$ 7,447,066	\$ 2,188,262
Reconciliation of operating income (loss) to net cash flows from operating activities:				
Operating income (loss)	\$ (74,162)	\$ 15,380	\$ (58,782)	\$ 605,898
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:				
Depreciation	222,382	-	222,382	213,072
Net pension activity	7,090	-	7,090	(2,597)
Provision for uncollectible loans (recovery)	-	(130,075)	(130,075)	(23,256)
Changes in other assets and liabilities:				
Accounts receivable and prepaid expenses	(14,670)	-	(14,670)	(15,691)
Loans receivable	-	804,288	804,288	22,119
Accounts payable and other liabilities	(1,175,277)	110,478	(1,064,799)	(200,292)
Net operating activities	\$ (1,034,637)	\$ 800,071	\$ (234,566)	\$ 599,253

See accompanying notes.

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NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Nature of Organization

Niagara County Industrial Development Agency (the Agency) is a public benefit corporation authorized under the laws of the State of New York (the State). The Agency was formed under the State Industrial Development Agency Act, constituting Title I of Article 18-A of the General Municipal Law; Chapter 24 of the Consolidated Laws of New York, as amended; and Chapter 569 of the 1962 Laws of New York (collectively, the “Act”). Its purpose is to promote, develop, encourage, and assist in the acquiring, constructing, reconstructing, importing, maintaining, equipping, and furnishing of industrial, manufacturing, warehousing, commercial, and research facilities and thereby advance the job opportunities, general prosperity, and economic welfare of the people of the State, particularly Niagara County (the County), and to improve their prosperity and standard of living. The Agency is governed by a Board of Directors appointed by the County Legislature.

The Agency is empowered to issue industrial revenue bonds for the purpose of constructing, acquiring, equipping, and furnishing industrial, manufacturing, warehousing, and certain commercial research and recreational facilities. To accomplish the purposes of the Act, the Agency may acquire property and enter into lease agreements, mortgage agreements, and pledge agreements.

Basis of Presentation

The financial statements of the Agency 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.

Financial Reporting Entity

In evaluating how to define the Agency for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the Agency’s reporting entity is based on several criteria set forth in accounting standards, including legal standing, fiscal dependency, and financial accountability. Based on the application of these criteria, the following entities are included in the Agency’s financial statements:

Niagara Area Development Corporation (NADC):

NADC is a governmental entity formed to undertake and promote economic development initiatives in the County. Its functions include real estate leasing, acquisition, development, and management; real estate project financing; and other community-based economic development activities for the benefit of nonprofit organizations.

NADC was formed by the County, which requires the Directors of the Agency to serve as the directors of NADC. In addition, the Agency is entitled to all financing fees generated by NADC in exchange for providing ongoing management and administrative services to NADC. As a result, NADC is presented as a blended component unit of the Agency. Internal balances have been eliminated for purposes of this presentation in the accompanying financial statements to avoid the impact of “grossing-up” the affected financial statement line items. In addition, separate financial statements for NADC are available from the Agency.

Niagara County Development Corporation (NCDC):

NCDC is a nonprofit corporation formed to promote economic growth and prosperity in the County. Its function is to make loans at favorable interest rates to small businesses that are located within the County, thus encouraging startup of new businesses and relocation and expansion of existing businesses within the County.

These loans are made at favorable interest rates that vary with the prime rate. The governing board approves these loans after giving consideration to the major criteria, including enhancement of the economic environment. Normally, these loans are made in conjunction with third-party lender financing. The businesses’ assets and personal guarantees of the owners collateralize most of these loans; however, in many instances, NCDC’s collateral interest is subordinated to the primary lender. These loans have variable maturities dependent upon use, such as working capital or equipment acquisition. Interest is recognized on these loans as it is paid.

The membership of NCDC consists of the nine Board members of the Agency. In accordance with accounting standards, NCDC is also reflected as a blended component unit of the Agency. Separate financial statements for NCDC are available from the Agency.

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Grants

Under the terms of grant agreements, revenues are recognized to the extent of program expenditures. Cash received in advance of program expenditures is recorded as unearned revenue. Typically, grants received are passed through to other entities less an administrative fee charged by the Agency if permissible.

Measurement Focus

The Agency 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. The Agency'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.

The Agency'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 and payments made to purchase those goods or services. Certain other transactions are reported as nonoperating activities and include interest income and exchange transactions with related entities or joint ventures.

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, Cash Equivalents, and Investments

Cash and investment management is governed by State laws and as established by the Agency's written policies. Cash resources must be deposited in FDIC-insured commercial banks or trust companies located within the State. Management is authorized to use demand accounts and certificates of deposit. Permissible investments include obligations of the United States Treasury and its Agencies, repurchase agreements, and obligations of the State or its localities.

Cash equivalents include certificates of deposit with original maturities of less than three months and investments include those with original maturities in excess of three months.

Custodial credit risk is the risk that, in the event of a bank failure, the Agency'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 are obligations of the United States and its agencies and obligations of the State and its municipalities and school districts. At December 31, 2025, the Agency's bank deposits were fully collateralized by FDIC coverage and securities held by the pledging institution's agent in the Agency's name.

Restricted cash includes security deposits, grant funds not yet expended, and cash whose use is limited by legal requirements.

Allowance for Uncollectible Loans and Receivables (NCDC)

Loans receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for estimated credit losses and an adjustment to an allowance based on its assessment of the current status of individual loans, historical trends, and forecasted economic conditions.

Balances still outstanding after management has used reasonable collection efforts are written off through a charge to the allowance and a credit to loans receivable.

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 a loan becomes past due and does not commence again until the loan is current.

Capital Assets

Capital assets are recorded at cost. Contributed assets are recorded at fair value at the time received. Depreciation is provided over estimated useful lives using the straight-line method. Maintenance and repairs are expensed as incurred; significant improvements are capitalized.

Capitalization thresholds for determining which assets are added to capital accounts and the estimated useful lives of capital assets are:

	Capitalization Policy	Estimated Useful Life
Buildings and improvements	\$ 5,000	3-40 years
Furniture and equipment	\$ 1,000	5-40 years
Infrastructure	\$ 5,000	25 years

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Pension

The Agency has elected to participate in the New York State and Local Employees' Retirement System (ERS). ERS recognizes benefit payments when due and payable in accordance with benefit terms; investment assets are reported at fair value. The Agency recognizes its proportionate share of net pension position, deferred outflows and deferred inflows of resources, pension expense, and information about and changes in the fiduciary net position (Note 7) on the same basis as reported by the defined benefit pension plan.

Net Position

The Agency is required to classify net position into three categories:

- *Net investment in capital assets* – consists of capital assets, net of accumulated depreciation, reduced by outstanding balances of any related debt obligations attributable to the acquisition, construction, or improvement of those assets.
- *Restricted* – consists of restricted assets and deferred outflows of resources reduced by related liabilities and deferred inflows of resources. Restrictions are imposed by external organizations such as federal or state laws or, in the case of NCDC, amounts represent certain revolving loan funds from the U.S. Economic Development Administration (EDA) received from the Coronavirus Aid, Relief, and Economic Security (CARES) Act.
- *Unrestricted* – the net amount of assets and deferred outflows of resources less liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position and therefore are available for general use.

Tax Incentive Transactions

The Agency maintains an economic development incentive program to provide sales, property, and/or mortgage recording tax benefits for qualified construction, renovation, or expansion projects or other economic development activities within the County. Under this program, the Agency may take title to or a leasehold interest in the real and/or personal property involved in the project for the term of the incentive period. The Agency simultaneously leases the property under a lease agreement back to the private-sector entity undertaking the project (lessee). The Agency receives administrative fees from the lessee for providing these tax incentives which are recognized according to the terms of the fee agreement. For the year ended December 31, 2025, the Agency received fees totaling \$704,000 for providing this service.

The Agency also issues bonds that meet the definition of conduit debt obligations. Such bonds provide private-sector entities with access to capital for the acquisition, rehabilitation, and construction of industrial and commercial facilities. The bonds are secured by the properties they finance and are payable solely by the private-sector entities. The Agency receives administrative fees from these entities for providing bond issues which are recognized according to the terms of the fee agreement. The Agency also has a shared services agreement with NADC under which administrative and staffing services are provided to NADC in connection with its bond issuances to nonprofit organizations in exchange for the related bond issuance fees received by NADC. At December 31, 2025, previously issued bonds have an aggregate outstanding principal amount payable of \$284,182,000, which includes \$245,148,000 of bonds issued by NADC, none of which is recognized as a liability by the Agency.

Subsequent Events

The Agency has evaluated events and transactions for potential recognition or disclosure in the financial statements through March 18, 2026, the date the financial statements were available to be issued.

2. Loans Receivable (NCDC)

Various notes receivable from companies with operations in Niagara County, due in monthly installments plus interest at rates ranging from 1.5% to 6.4%, generally secured by secondary position on assets and personal guarantees, due through July 2030.	\$ 661,965
Less allowance for uncollectible loans	179,008
Less current portion	171,134
	<u>\$ 311,823</u>

NCDC administers three revolving loan programs offering low interest commercial loans to area businesses. The programs' original funding was from a variety of sources, including the EDA and U.S. Department of Housing and Urban Development (HUD). The governing board approves loans after giving consideration to the major criteria, including enhancement of the economic environment. During 2020, NCDC was awarded an EDA grant totaling \$737,000 as part of the CARES Act. In response, NCDC established the Hospitality Emergency Loan Program (HELP) which provides loans to the hospitality industry payable over 60 months with 12 months of interest-only payments and interest at 1.5%.

Non-accrual loans amounted to \$132,458 at December 31, 2025. The allowance for uncollectible loans totaled \$179,008 at December 31, 2025.

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3. Capital Assets

	January 1, 2025	Increases	Retirements/ Reclassifications	December 31, 2025
Depreciable capital assets:				
Land improvements	\$ 104,014	\$ -	\$ -	\$ 104,014
Buildings and improvements	7,392,689	158,150	-	7,550,839
Furniture and equipment	272,338	-	-	272,338
Infrastructure	110,097	-	-	110,097
Total depreciable assets	7,879,138	158,150	-	8,037,288
Less accumulated depreciation:				
Land improvements	(100,154)	(1,706)	-	(101,860)
Buildings and improvements	(4,976,062)	(213,600)	-	(5,189,662)
Furniture and equipment	(252,006)	(2,825)	-	(254,831)
Infrastructure	(66,246)	(4,251)	-	(70,497)
Total accumulated depreciation	(5,394,468)	(222,382)	-	(5,616,850)
Net depreciable assets	\$ 2,484,670	\$ (64,232)	\$ -	\$ 2,420,438

4. Investment in Affiliate

Niagara Industrial Incubator Associates (NIIA) is a limited partnership and related party, formed for the purpose of developing an incubator facility in the area designated as a foreign trade zone. The partnership is comprised of the general partner, Niagara Industrial Incubator Company (itself a partnership between the Agency and Niagara Frontier Transportation Authority (NFTA)) and two limited partners, the Agency and NFTA. The Agency's total interest at book value in NIIA at December 31, 2025 is \$342,500 and represents 50% ownership of NIIA. Separate audited financial statements for NIIA are available from the Agency.

The Agency leases space at two of its multi-tenant/incubator facilities to multiple tenants under the terms of noncancelable leases ranging from 36 to 60 months with interest rates ranging from 4.75% at 5.13%. Leases receivable and deferred inflows of resources related to leases amounted to \$859,206 at December 31, 2025. The Agency expects \$360,770 will be received during 2026.

Lease revenue totaled \$384,155 and related interest income totaled \$37,964 for the year ended December 31, 2025. The Agency also charges common area expenses to tenants that amounted to \$85,172 for the year ended December 31, 2025. Intra-Agency charges have been eliminated in the accompanying financial statements.

5. Unearned Revenue

The Agency received funds allocated from New York State under the Miscellaneous Financial Assistance Program. These funds were used to establish the Downtown Niagara Falls Tourism Target Zone Program. Funds totaling \$1,729,295 are recognized on the balance sheet and included in unearned revenue as of December 31, 2025. During 2025, grants amounting to \$1,152,750 were disbursed and at December 31, 2025, \$783,000 has been committed to specific projects.

6. Leases

Leases receivable are reported at the present value of future receipts related to assets the Agency has conveyed a noncancellable right to use for a period over one year. Related deferred inflows of resources are initially recognized at the original present value of the lease receivable and recognized as operating revenue over the lease term.

7. Pension

The Agency participates in ERS, a cost-sharing, multiple employer, public employee retirement system. ERS provides retirement benefits as well as death and disability benefits. New York State Retirement and Social Security Law governs obligations of employers and employees to contribute and provide benefits to employees. ERS issues a publicly available financial report that includes financial statements and required supplementary information. This report may be obtained from the New York State and Local Retirement System at www.osc.state.ny.us/retire.

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Benefits: ERS provides retirement, disability, and death benefits for eligible members, including automatic cost of living adjustments. In general, retirement benefits are determined based on an employee's individual circumstances using a pension factor, an age factor, and final average salary. The benefits vary depending on the individual's employment tier. Pension factors are determined based on tier and an employee's years of service, among other factors.

Contribution requirements: No employee contribution is required for those hired prior to July 1976. ERS requires employee contributions of 3% of salary for the first 10 years of service for those employees who joined between July 1976 and December 2009. Participants hired on or after January 1, 2010 through March 31, 2012 are required to contribute 3% of compensation throughout their active membership. Participants hired on or after April 1, 2012 are required to contribute a percentage ranging from 3% to 6% each year, based on their level of compensation. The Comptroller annually certifies the rates used, expressed as a percentage of the wages of participants, to compute the contributions required to be made by the Agency to the pension accumulation fund. For 2025, these rates ranged from 12.6% - 19.3%.

Net Pension Position, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

At December 31, 2025, the Agency reported a liability of \$159,094 for its proportionate share of the net pension position.

The total pension liability at the March 31, 2025 measurement date was determined by an actuarial valuation as of April 1, 2024, with update procedures applied to roll forward the total pension liability to March 31, 2025. The Agency's proportion of the net pension position was based on the ratio of its actuarially determined employer contribution to ERS's total actuarially determined employer contributions for the fiscal year ended on the measurement date. At March 31, 2025, the Agency's proportion was 0.0009279%, an increase of 0.0001422 from its proportion measured as of March 31, 2024.

For the year ended December 31, 2025, the Agency recognized pension expense of \$60,302. At December 31, 2025, the Agency reported deferred outflows and deferred inflows of resources as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 39,488	\$ 1,863
Changes of assumptions	6,672	-
Net difference between projected and actual earnings on pension plan investments	12,482	-
Changes in proportion and differences between Agency contributions and proportionate share of contributions	67,303	3,973
Agency contributions subsequent to the measurement date	53,213	-
	\$ 179,158	\$ 5,836

Agency contributions subsequent to the measurement date will be recognized as an addition to (a reduction of) the net pension asset (liability) in the subsequent year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Years ending December 31,	
2026	\$ 47,900
2027	60,286
2028	1,880
2029	10,043
	\$ 120,109

Actuarial Assumptions

The actuarial assumptions used in the April 1, 2024 valuation, with update procedures used to roll forward the total pension liability to March 31, 2025, were based on the results of an actuarial experience study for the period April 1, 2015 to March 31, 2020. These assumptions are:

Inflation - 2.9%

Salary increases - 4.3%

Cost of living adjustment - 1.5% annually

Investment rate of return - 5.9% compounded annually, net of investment expense, including inflation

Mortality - Society of Actuaries' Scale MP-2021

Discount rate - 5.9%

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The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Investment Asset Allocation

Best estimates of arithmetic real rates of return (net of the long-term inflation assumption) for each major asset class and ERS's target asset allocations as of the valuation date are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equities	25%	3.5%
International equities	14%	6.6%
Private equities	15%	7.3%
Real estate equities	12%	5.0%
Domestic fixed income securities	22%	2.0%
Cash and cash equivalents	1%	0.3%
Other	11%	5.3%-5.6%
	<u>100%</u>	

Discount Rate

The discount rate projection of cash flows assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The Agency's proportionate share of its net pension position is calculated using the discount rate of 5.9%. The impact of using a discount rate that is 1% lower (4.9%) than the current rate would result in a net pension liability of \$460,437 and a 1% higher (6.9%) rate would result in a net pension asset of \$92,528.

8. Related Party Transactions

Administration Fees

During 2025, the Agency received \$50,000 in administration fees from Niagara Economic Development Fund (NEDF), a business trust whose membership consists of representatives of the Empire State Development Corporation, the New York Power Authority, the City of Niagara Falls, and the Agency. The Agency serves as its trustee and NCDC as the loan fund administrator.

Other

The Agency and NCDC have entered into various borrowing arrangements with each other. All short-term borrowings are of an interest-free nature. Borrowings are reflected as internal balances in the accompanying financial statements and appropriately eliminated for the total blended presentation.

9. Risk Management

The Agency purchases commercial insurance for various risks of loss due to torts, theft, damage, injuries to employees, errors and omissions, and natural disasters. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

10. Contingencies

Grants

The Agency receives financial assistance from federal and state 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 the Agency. Based on prior experience, management expects any such amounts to be immaterial.

Litigation

The Agency is subject to claims and lawsuits that arise in the ordinary course of business. In the opinion of management, these claims and lawsuits will not have a material adverse effect upon the financial position of the Agency.

11. Commitments

At December 31, 2025, NCDC has been awarded \$240,000 of Community Development Block Grant funds to provide loans to eligible small businesses. As of December 31, 2025, no amounts have been disbursed.

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NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

**Required Supplementary Information (Unaudited)
Schedule of the Agency's Proportionate Share of the Net Pension Position
New York State and Local Employees' Retirement System**

As of the measurement date of March 31,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Agency's proportion of the net pension position	0.0009279%	0.0007857%	0.0006505%	0.0005519%	0.0007604%	0.0007706%	0.0011325%	0.0012323%	0.0011593%	0.0011675%
Agency's proportionate share of the net pension asset (liability)	\$ (159,094)	\$ (115,680)	\$ (139,492)	\$ 45,112	\$ (757)	\$ (204,072)	\$ (80,244)	\$ (39,773)	\$ (108,929)	\$ (187,381)
Agency's covered payroll	\$ 454,777	\$ 407,275	\$ 337,579	\$ 315,689	\$ 384,867	\$ 340,518	\$ 363,500	\$ 365,099	\$ 334,923	\$ 324,634
Agency's proportionate share of the net pension asset (liability) as a percentage of its covered payroll	(34.98%)	(28.40%)	(41.32%)	14.29%	(0.20%)	(59.93%)	(22.08%)	(10.89%)	(32.52%)	(57.72%)
Plan fiduciary net position as a percentage of the total pension liability	93.08%	93.88%	90.78%	103.65%	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%

The following is a summary of changes of assumptions:

Inflation	2.9%	2.9%	2.9%	2.7%	2.7%	2.5%	2.5%	2.5%	2.5%	2.5%
Salary increases	4.3%	4.4%	4.4%	4.4%	4.4%	4.2%	4.2%	3.8%	3.8%	3.8%
Cost of living adjustments	1.5%	1.5%	1.5%	1.4%	1.4%	1.3%	1.3%	1.3%	1.3%	1.3%
Investment rate of return	5.9%	5.9%	5.9%	5.9%	5.9%	6.8%	7.0%	7.0%	7.0%	7.0%
Discount rate	5.9%	5.9%	5.9%	5.9%	5.9%	6.8%	7.0%	7.0%	7.0%	7.0%
Society of Actuaries' mortality scale	MP-2021	MP-2021	MP-2021	MP-2020	MP-2020	MP-2018	MP-2014	MP-2014	MP-2014	MP-2014

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NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Required Supplementary Information (Unaudited) Schedule of Agency Contributions New York State and Local Employees' Retirement System

For the years ended December 31,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 53,213	\$ 69,283	\$ 50,589	\$ 37,605	\$ 50,488	\$ 57,072	\$ 51,782	\$ 55,331	\$ 55,940	\$ 51,292
Contribution in relation to the contractually required contribution	(53,213)	(69,283)	(50,589)	(37,605)	(50,488)	(57,072)	(51,782)	(55,331)	(55,940)	(51,292)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Agency's covered payroll	\$ 333,679	\$ 454,777	\$ 407,275	\$ 337,579	\$ 315,689	\$ 384,867	\$ 340,518	\$ 363,500	\$ 365,099	\$ 334,923
Contributions as a percentage of covered payroll	15.95%	15.23%	12.42%	11.14%	15.99%	14.83%	15.21%	15.22%	15.32%	15.31%

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NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Supplementary Information Schedules of Intra-Agency Balance Sheets by Operating Unit

December 31, 2025

(with summarized comparative totals as of December 31, 2024)

	Operating	Multi-Tenant Facility Operating	VIP Multi-Tenant Operating	Total	Total 2024 Summarized
Assets					
Current assets:					
Cash and cash equivalents					
Unrestricted	\$ 4,430,305	\$ 429,681	\$ 867,927	\$ 5,727,913	\$ 1,068,443
Restricted	458,180	24,761	17,094	500,035	378,103
Investments	-	-	-	-	5,600,000
Receivables					
Trade	4,599	13,079	5,856	23,534	15,629
Internal balances	330,316	-	-	330,316	219,495
Leases	-	138,240	222,530	360,770	329,284
Prepaid expenses	31,381	9,543	17,262	58,186	51,421
Due from other operating units	483,711	-	-	483,711	674,989
	<u>5,738,492</u>	<u>615,304</u>	<u>1,130,669</u>	<u>7,484,465</u>	<u>8,337,364</u>
Noncurrent assets:					
Leases receivable	-	115,235	383,201	498,436	193,834
Capital assets, net	17,506	431,121	1,971,811	2,420,438	2,484,670
Investment in affiliate	342,500	-	-	342,500	342,500
	<u>360,006</u>	<u>546,356</u>	<u>2,355,012</u>	<u>3,261,374</u>	<u>3,021,004</u>
	<u>6,098,498</u>	<u>1,161,660</u>	<u>3,485,681</u>	<u>10,745,839</u>	<u>11,358,368</u>
Deferred Outflows of Resources:					
Deferred outflows of resources related to pensions	179,158	-	-	179,158	204,837
	<u>\$ 6,277,656</u>	<u>\$ 1,161,660</u>	<u>\$ 3,485,681</u>	<u>\$ 10,924,997</u>	<u>\$ 11,563,205</u>
Liabilities					
Current liabilities:					
Accounts payable	\$ 86,270	\$ 8,884	\$ 21,613	\$ 116,767	\$ 141,011
Due to other governments	-	129,010	-	129,010	113,244
Unearned revenue	1,796,035	-	-	1,796,035	2,836,267
Security deposits	-	24,761	17,094	41,855	41,835
Due to other operating units	-	141,670	342,041	483,711	674,989
	<u>1,882,305</u>	<u>304,325</u>	<u>380,748</u>	<u>2,567,378</u>	<u>3,807,346</u>
Long-term liabilities:					
Net pension liability	159,094	-	-	159,094	115,680
	<u>2,041,399</u>	<u>304,325</u>	<u>380,748</u>	<u>2,726,472</u>	<u>3,923,026</u>
Deferred Inflows of Resources					
Deferred inflows of resources related to leases	-	253,475	605,731	859,206	523,118
Deferred inflows of resources related to pensions	5,836	-	-	5,836	67,839
	<u>5,836</u>	<u>253,475</u>	<u>605,731</u>	<u>865,042</u>	<u>590,957</u>
Net Position					
Net investment in capital assets	17,506	431,121	1,971,811	2,420,438	2,484,670
Unrestricted	4,212,915	172,739	527,391	4,913,045	4,564,552
	<u>4,230,421</u>	<u>603,860</u>	<u>2,499,202</u>	<u>7,333,483</u>	<u>7,049,222</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 6,277,656</u>	<u>\$ 1,161,660</u>	<u>\$ 3,485,681</u>	<u>\$ 10,924,997</u>	<u>\$ 11,563,205</u>

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NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Supplementary Information Schedules of Intra-Agency Revenues, Expenses, and Changes in Net Position by Operating Unit

For the year ended December 31, 2025
(with summarized comparative totals for December 31, 2024)

		Multi-Tenant Facility Operating	VIP Multi-Tenant Operating	Eliminations	Total	Total 2024 Summarized
Operating revenues:						
Fees	\$ 725,919	\$ -	\$ -	\$ -	\$ 725,919	\$ 797,465
Lease revenue and common area charges	-	140,527	341,777	(12,977)	469,327	604,466
Administrative fees from affiliates	144,407	-	-	(11,352)	133,055	100,304
Grant revenue	1,152,750	-	-	-	1,152,750	265,172
Miscellaneous	29,298	8,770	-	-	38,068	102,875
Total operating revenues	2,052,374	149,297	341,777	(24,329)	2,519,119	1,870,282
Operating expenses:						
Personnel services	513,007	-	-	-	513,007	477,004
Contractual expenses	265,871	16,374	19,454	-	301,699	292,561
Occupancy	45,060	109,320	122,030	(24,329)	252,081	158,168
Employee benefits	151,362	-	-	-	151,362	146,534
Grant expense	1,152,750	-	-	-	1,152,750	265,172
Depreciation	2,825	80,476	139,081	-	222,382	213,072
Total operating expenses	2,130,875	206,170	280,565	(24,329)	2,593,281	1,552,511
Operating income (loss)	(78,501)	(56,873)	61,212	-	(74,162)	317,771
Nonoperating revenues (expenses):						
Interest income	146,596	17,429	60,164	-	224,189	76,029
Transfer to Niagara Frontier Transportation Authority	-	(15,766)	-	-	(15,766)	(113,244)
Transfers	250,000	-	(100,000)	-	150,000	150,000
Income from joint venture	15,766	(15,766)	-	-	-	-
Total nonoperating revenues (expenses)	412,362	(14,103)	(39,836)	-	358,423	112,785
Net income (loss)	333,861	(70,976)	21,376	-	284,261	430,556
Net position - beginning	3,896,560	674,836	2,477,826	-	7,049,222	6,618,666
Net position - ending	\$ 4,230,421	\$ 603,860	\$ 2,499,202	\$ -	\$ 7,333,483	\$ 7,049,222

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NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

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 Housing and Urban Development:</u>			
Passed through Niagara County			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	806ED993-21	\$ 360,000
	14.228	806ME529-23	<u>300,000</u>
			660,000
<u>U.S. Department of Commerce:</u>			
Passed through Niagara County			
Economic Development Cluster:			
COVID-19 - Economic Adjustment Assistance	11.307	806CVSB17-21	<u>566,446</u>
Total Expenditures of Federal Awards			<u>\$ 1,226,446</u>

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NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

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 Niagara County Industrial Development Agency (the Agency) and its component unit, Niagara County Development Corporation (NCDC), entities defined in Note 1 to the Agency'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.

The Agency was awarded \$737,000 (\$67,000 for administrative costs) through the U.S Economic Development Administration (EDA) during 2020 from the Supplemental Appropriations for Coronavirus Aid, Relief, and Economic Security Act (CARES Act). The award is 100% funded through EDA. The amount on the SEFA is calculated as follows:

Balance of loans outstanding	\$ 270,908
Cash	295,538
Administrative expenses	-
	<u>\$ 566,446</u>

Basis of Accounting

The Agency and NCDC use 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 the Agency's financial reporting system.

Indirect Costs

The Agency and NCDC have elected not to use the de minimis indirect cost rate as allowed under the Uniform Guidance. Furthermore, neither the Agency nor NCDC has received Federal awards including indirect cost reimbursement for the year ended December 31, 2025.

2. Revolving Loan Funds

Loans outstanding at December 31, 2025 for NCDC's federally restricted EDA revolving loan fund amounted to \$270,908.

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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
Niagara County Industrial Development Agency

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 Niagara County Industrial Development Agency (the Agency), 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 the Agency's basic financial statements, and have issued our report thereon dated March 18, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Agency'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 the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency'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 the Agency'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 the Agency'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 Agency's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

March 18, 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
Niagara County Industrial Development Agency

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the compliance of Niagara County Industrial Development Agency (the Agency), 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 the Agency's major federal programs for the year ended December 31, 2025. The Agency'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, the Agency complied, in all material respects, with the types of 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 the Agency 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 the Agency'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 the Agency'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 the Agency'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 the Agency'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 the Agency'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 the Agency'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 the Agency'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 a 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 18, 2026

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NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

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 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>
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	<u>\$ 660,000</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 findings 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
Niagara County Industrial Development Agency

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Niagara County Industrial Development Agency (the Agency), a business-type activity, as of and for the year ended December 31, 2025, and the related notes to the financial statements, and we have issued our report thereon dated March 18, 2026.

In connection with our audit, nothing came to our attention that caused us to believe that the Agency 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 the Agency'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 18, 2026

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**NIAGARA ECONOMIC
DEVELOPMENT FUND**

FINANCIAL STATEMENTS

DECEMBER 31, 2025

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Niagara Economic Development Fund

Opinion

We have audited the financial statements of Niagara Economic Development Fund (the Trust), 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 the Trust's basic financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Trust 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). 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 Trust, 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 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 the Trust'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.

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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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.

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In performing an audit in accordance with GAAS, 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 the Trust'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 the Trust'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 audits.

Required Supplementary Information

The Trust has omitted management's discussion and analysis that GAAP requires to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of revolving loan funds on page 8 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

March __, 2026

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NIAGARA ECONOMIC DEVELOPMENT FUND

Balance Sheets

December 31,	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 4,035,627	\$ 277,994
Investments	-	3,900,000
Prepaid expenses	2,777	2,898
Loans receivable (Note 2)	405,919	104,460
	<u>4,444,323</u>	<u>4,285,352</u>
Noncurrent assets:		
Loans receivable (Note 2)	610,343	598,281
	<u>610,343</u>	<u>598,281</u>
	\$ 5,054,666	\$ 4,883,633
Liabilities and Net Position		
Current liabilities:		
Accounts payable	\$ -	\$ 60
Net position:		
Unrestricted	5,054,666	4,883,573
	<u>5,054,666</u>	<u>4,883,573</u>
	\$ 5,054,666	\$ 4,883,633

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NIAGARA ECONOMIC DEVELOPMENT FUND

Statements of Revenues, Expenses, and Changes in Net Position

For the years ended December 31,

	2025	2024
Operating revenues		
Interest from loans	\$ 26,948	\$ 17,474
Fees	5,000	1,000
	<u>31,948</u>	<u>18,474</u>
Operating expenses		
Administrative fees	50,000	50,000
Insurance and office expenses	3,150	3,258
Professional fees	8,935	12,790
Loan origination fees	6,250	1,250
Total operating expenses	<u>68,335</u>	<u>67,298</u>
Operating loss	(36,387)	(48,824)
Nonoperating revenues		
Interest income	<u>207,480</u>	<u>71,741</u>
Change in net position	171,093	22,917
Net position - beginning	<u>4,883,573</u>	<u>4,860,656</u>
Net position - ending	\$ 5,054,666	\$ 4,883,573

See accompanying notes.

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NIAGARA ECONOMIC DEVELOPMENT FUND

Statements of Cash Flows

For the years ended December 31,

2025

2024

Operating activities:

Cash received from loan repayments, interest, and fees	\$ 218,427	\$ 103,035
Loan disbursements	(500,000)	(100,000)
Payments to suppliers and other	(68,274)	(67,142)
Net operating activities	(349,847)	(64,107)

Investing activities:

Purchase of investments	-	(3,900,000)
Maturity of investments	3,900,000	-
Interest income	207,480	71,741
Net investing activities	4,107,480	(3,828,259)

Change in cash

3,757,633 (3,892,366)

Cash and cash equivalents - beginning

277,994 4,170,360

Cash and cash equivalents - ending

\$ 4,035,627 \$ 277,994

Reconciliation of operating loss to net cash flows from operating activities:

Operating loss	\$ (36,387)	\$ (48,824)
Adjustments to reconcile operating loss to net cash flows from operating activities:		
Changes in other assets and liabilities:		
Prepaid expenses	121	96
Loans receivable	(313,521)	(15,439)
Accounts payable	(60)	60
Net operating activities	\$ (349,847)	\$ (64,107)

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NIAGARA ECONOMIC DEVELOPMENT FUND

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Nature of Organization

Niagara Economic Development Fund (the Trust) was organized under Sections 1001 and 1005 of the Power Authority Act as a local economic development loan program in order to improve the area's economic climate.

The Trust is organized as a business trust whose membership consists of representatives of the Empire State Development Corporation, the New York Power Authority, the City of Niagara Falls, and Niagara County Industrial Development Agency (NCIDA).

The Trust makes loans to businesses located in the City of Niagara Falls and throughout Niagara County. These loans are made at favorable interest rates that vary with the prime rate. The governing board approves these loans after giving consideration to the major criteria, including enhancement of the economic environment. Normally, these loans are made in conjunction with other third party lender financing.

The businesses' assets and personal guarantees of the owners collateralize most of these loans; however, in many instances, the Trust's collateral interest is subordinated to an institutional lender. These loans have variable maturities dependent upon use, such as working capital or equipment acquisition. Interest is recognized on these loans as it is earned.

Basis of Presentation

The financial statements of the Trust 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

The Trust 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. The Trust'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 liability is incurred.

The Trust'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 and payments made to purchase those goods or services. Certain other transactions are reported as nonoperating activities and include interest income.

Subsequent Events

The Trust has evaluated events and transactions for potential recognition or disclosure in the financial statements through March __, 2026, the date the financial statements were available to be issued.

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 Cash Equivalents

The Trust's cash management policies are governed by the trustee (NCIDA) who is governed by State statutes that authorize the Trust to invest in certificates of deposit and special time deposit accounts. At December 31, 2025, the Trust's bank deposits were fully collateralized by FDIC coverage and securities held by the pledging institution's agent in the Trust's name.

Cash equivalents are comprised of bank certificates of deposit with original maturities of three months or less and are stated at fair value.

Investments

Investments as of December 31, 2024 were comprised of a bank certificate of deposit with an original maturity of six months, stated at fair value, and matured during 2025.

Loans Receivable

Loans receivables are stated at the principal amount outstanding, net of an allowance for uncollectible loans, if necessary, that includes loan forgiveness. The allowance method is used to compute the provision for uncollectible loans.

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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, and management considers that collection is probable, based on the current economic condition of the borrower. Interest accrual stops when a loan becomes more than three months past due and does not commence again until the loan is current.

2. Revolving Loan Funds

Pursuant to an agreement between NCIDA and the Trust, the New York State Job Development Authority transferred its existing loans into the Trust's Revolving Loan Funds. All loans are made to commercial businesses.

The loans have varying terms and maturity dates from 2026 through 2039 with interest rates ranging from 2.5% to 6.4%. Security interests include buildings, machinery, and equipment and vary by loan. The amount of principal and interest payments expected to be received in 2026 totals \$442,000.

The following is a summary of the loans receivable:

	2025	2024
Current status	\$ 1,016,262	\$ 632,131
Non-accrual	-	70,610
	1,016,262	702,741
Less current portion	405,919	104,460
	\$ 610,343	\$ 598,281

There was no allowance for uncollectible loans at December 31, 2025 and 2024.

3. Related Party Transactions

Administration Fees

NCIDA charges the Trust administration fees to maintain and manage the loan fund. These fees have been computed per the Trust's administrative agreement. Fees for each of the years ended December 31, 2025 and 2024 totaled \$50,000.

Loan Origination Fees

NCIDA charges the Trust loan closing origination fees of 1.25% of the value of each loan initiated. The amount is recognized as an expense in the year the loan is closed. One loan closed in 2025 and 2024 each, resulting in loan origination fees of \$6,250 and \$1,250 respectively.

4. Commitments

The Trust was previously provided with \$2,000,000 of grant funds to be used towards the USA Niagara Grant Program. No new grants were disbursed by the Trust during 2025 and 2024. At December 31, 2025 and 2024, grants amounting to \$1,960,000 have been disbursed.

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NIAGARA ECONOMIC DEVELOPMENT FUND

Supplementary Information Schedule of Revolving Loan Funds

For the year ended December 31, 2025

	Loan Closing Date	Loan Balance 01/01/25	Loans Made	Principal Paid	Loans Written Off	Loan Balance 12/31/25	Reserve for Uncollectible Loans	Interest Received
210 Walnut Street, LLC	06/25/14	\$ 293,383	\$ -	\$ 19,939	\$ -	\$ 273,444	\$ -	\$ 7,107
Woodcock Brothers Brewing Company, Inc.	09/10/19	66,826	-	27,700	-	39,126	-	1,618
Go Go Pak USA, Inc.	05/08/20	70,610	-	3,246	-	67,364	-	3,080
Huron Sprinklers/AMP Real Estate of Erie County, LLC	05/28/21	172,590	-	21,115	-	151,475	-	3,923
1500 James, LLC	09/25/24	99,332	-	99,332	-	-	-	4,155
Polaris Cold Storage, Inc.	08/08/25	-	500,000	15,147	-	484,853	-	7,065
		<u>\$ 702,741</u>	<u>\$ 500,000</u>	<u>\$ 186,479</u>	<u>\$ -</u>	<u>\$ 1,016,262</u>	<u>\$ -</u>	<u>\$ 26,948</u>

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH THE NIAGARA ECONOMIC DEVELOPMENT FUND TRUST AGREEMENT

The Board of Directors
Niagara Economic Development Fund

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of Niagara Economic Development Fund (the Trust), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Trusts basic financial statements, and we have issued our report thereon dated March __, 2026.

In connection with our audit, nothing came to our attention that caused us to believe that the Trust failed to comply with paragraphs 3, 4, and 5 of the Niagara Economic Development Fund Trust Agreement for the year ended December 31, 2025 insofar as it relates to accounting matters over loan management. 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 the Trust's noncompliance with paragraphs 3, 4, and 5 of the Niagara Economic Development Fund Trust Agreement, insofar as it relates to accounting matters over loan management.

This report is intended solely for the information and use of the Board of Directors and management of the Trust and is not intended to be and should not be used by anyone other than those specified parties.

March __, 2026

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**NIAGARA INDUSTRIAL
INCUBATOR ASSOCIATES**

FINANCIAL STATEMENTS

DECEMBER 31, 2025

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INDEPENDENT AUDITORS' REPORT

The Partners
Niagara Industrial Incubator Associates

Opinion

We have audited the financial statements of Niagara Industrial Incubator Associates (a partnership), which comprise the statements of assets, liabilities, and partners' capital – modified cash basis as of December 31, 2025 and 2024, and the related statements of revenue and expenses – modified cash basis and changes in partners' capital accounts – modified cash basis for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the assets, liabilities, and partners' capital of Niagara Industrial Incubator Associates as of December 31, 2025 and 2024, and the results of its operations, its revenue and expenses, and its changes in partners' capital accounts for the years then ended, in accordance with the modified cash basis of accounting as described in Note 1.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 Niagara Industrial Incubator Associates, 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.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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 Niagara Industrial Incubator Associates' ability to continue as a going concern for one year after the date that the financial statements are issued.

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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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than 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, 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 Niagara Industrial Incubator Associates' 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 Niagara Industrial Incubator Associates' 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.

March __, 2026

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NIAGARA INDUSTRIAL INCUBATOR ASSOCIATES

Statements of Assets, Liabilities, and Partners' Capital - Modified Cash Basis

December 31,	2025	2024
Assets		
Rental property:		
Building and improvements	\$ 2,345,875	\$ 2,345,875
Land improvements	9,167	9,167
	<u>2,355,042</u>	<u>2,355,042</u>
Less: accumulated depreciation	1,855,961	1,810,447
Net rental property	<u>499,081</u>	<u>544,595</u>
Other assets:		
Cash	446,120	300,668
Cash held for building improvements	675,895	4,213
Cash - security deposits	16,372	11,041
Investments held for building improvements	-	640,000
	<u>1,138,387</u>	<u>955,922</u>
	<u>\$ 1,637,468</u>	<u>\$ 1,500,517</u>
Liabilities and Partners' Capital		
Liabilities		
Security deposits	\$ 16,372	\$ 11,041
Partners' capital		
	<u>1,621,096</u>	<u>1,489,476</u>
	<u>\$ 1,637,468</u>	<u>\$ 1,500,517</u>

See accompanying notes.

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NIAGARA INDUSTRIAL INCUBATOR ASSOCIATES

Statements of Revenue and Expenses - Modified Cash Basis

For the years ended December 31,

2025

2024

Revenue

Rental income	\$ 289,313	\$ 293,825
Other income	31,682	11,329
Total revenue	<u>320,995</u>	<u>305,154</u>

Expenses

Occupancy	69,464	56,730
Repairs and maintenance	65,164	13,467
Depreciation	45,514	45,514
Professional and other fees	9,233	8,502
Total expenses	<u>189,375</u>	<u>124,213</u>

Excess of revenue over expenses	<u>\$ 131,620</u>	<u>\$ 180,941</u>
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NIAGARA INDUSTRIAL INCUBATOR ASSOCIATES

Statements of Changes in Partners' Capital Accounts - Modified Cash Basis

For the years ended December 31, 2025 and 2024

	Niagara Industrial Incubator Company (General)	NCIDA (Limited)	NFTA (Limited)	Total
Balance - December 31, 2023	\$ 925,397	\$ 191,569	\$ 191,569	\$ 1,308,535
Excess of revenue over expenses	120,627	30,157	30,157	180,941
Balance - December 31, 2024	1,046,024	221,726	221,726	1,489,476
Excess of revenue over expenses	87,746	21,937	21,937	131,620
Balance - December 31, 2025	\$ 1,133,770	\$ 243,663	\$ 243,663	\$ 1,621,096

See accompanying notes.

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NIAGARA INDUSTRIAL INCUBATOR ASSOCIATES

Notes to Financial Statements - Modified Cash Basis

1. Summary of Significant Accounting Policies

Nature of Organization

Niagara Industrial Incubator Associates (the Partnership) is a limited partnership pursuant to the provisions of Article 8 of the New York State Partnership Law. The general partner is Niagara Industrial Incubator Company (NIIC), a New York general partnership and joint venture between Niagara Frontier Transportation Authority (NFTA) and Niagara County Industrial Development Agency (NCIDA).

NFTA previously acquired and leased five acres of unimproved land located in the Town of Wheatfield, Niagara County, New York, to NIIC, which in turn leases it to NIIA. NIIA then built an industrial incubator facility on the land for lease to industrial users.

Basis of Accounting

The accompanying financial statements have been prepared on the modified cash basis of accounting, which is a special purpose framework of accounting other than accounting principles generally accepted in the United States of America (GAAP). That basis differs from GAAP in that rental income is recognized when received rather than when earned and expenses are recognized when paid instead of when goods or services are received.

Rental Property

Rental property is stated at cost net of accumulated depreciation. Depreciation is provided over estimated useful lives using straight-line and accelerated methods.

Cash

At various times, cash in financial institutions may exceed federally insured limits and subject the Partnership to concentrations of credit risk. The Partnership has reached agreements with its financial institutions whereby amounts in excess of federal depository coverage are collateralized by investments held by the pledging bank's agent in the Partnership's name.

Investments

Investments are comprised of a bank certificate of deposit with an original maturity of six months that is stated at fair value.

Income Distribution

Income is allocated to partners based on the Partnership agreement.

Income Taxes

Income taxes are not payable by, or provided for, the Partnership. Partners are taxed individually on their share of Partnership earnings, as applicable.

Subsequent Events

The Partnership has evaluated events and transactions for potential recognition or disclosure in the financial statements through March 31, 2026, the date the financial statements were available to be issued.

Estimates

The preparation of financial statements in conformity with a special purpose framework of accounting 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.

2. Lease Arrangements

The Partnership leases its multi-tenant building located at the Niagara Falls International Airport to multiple tenants under the terms of noncancelable and monthly operating leases. Rental income under these leases for the years ended December 31, 2025 and 2024 amounted to \$289,313 and \$293,825, respectively.

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Future annual rental receipts anticipated under noncancelable leases are:

2026	\$	302,900
2027		221,234
2028		34,960
	\$	<u>559,094</u>

3. Related Party Transactions

NFTA and NCIDA provide various services to the Partnership that include administration and bookkeeping, and also at times perform labor which may result in leasehold improvements to accommodate new tenants. These services are not recorded in the accompanying financial statements as the estimated value cannot readily be determined.

Niagara County Industrial Devel. Agency
Check Register
 For the Period From Feb 1, 2026 to Feb 28, 2026

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
30588	2/3/26	Amazon Capital Services	10001.100	176.39
30589	2/3/26	First Choice Coffee Services	10001.100	174.22
30590	2/3/26	THE HARTFORD	10001.100	328.99
30591	2/3/26	M&T Bank	10001.100	323.82
30592	2/3/26	National Grid	10001.100	512.75
30593	2/3/26	Pitney Bowes Global Financial Services	10001.100	275.85
2/5/26	2/5/26	PAYCHEX, INC.	10001.100	119.02
2/6/26	2/6/26	NYS DEFERRED COMPENSATION PLAN	10001.100	885.35
30594	2/11/26	360 PSG.com	10001.100	60.00
30595	2/11/26	Cintas Corporation LOC. 067P	10001.100	108.56
30596	2/11/26	Jeremy Geartz	10001.100	86.28
30597	2/11/26	Joseph Grenga	10001.100	117.53
30598	2/11/26	Summit MSP, LLC	10001.100	433.00
30599	2/17/26	Amazon Capital Services	10001.100	61.40
30600	2/17/26	County of Niagara	10001.100	2,216.34
30601	2/17/26	Guardian	10001.100	199.50
2/19/26	2/19/26	PAYCHEX, INC.	10001.100	93.95
2/20/26	2/20/26	PAYCHEX, INC.	10001.100	134.00
2/21/26	2/20/26	NYS DEFERRED COMPENSATION PLAN	10001.100	974.20
30602	2/24/26	Charter Communications	10001.100	130.00
30603	2/24/26	FedEx	10001.100	9.93
30604	2/24/26	Harris Beach Murtha Cullina PLLC	10001.100	11,019.93
30605	2/24/26	Independent Health	10001.100	4,366.89
30606	2/24/26	Joseph Grenga	10001.100	407.02
30607	2/24/26	Professional Janitorial Services, Inc.	10001.100	823.00
Total				24,037.92

NCIDA - MTF - Operating Fund
Check Register
For the Period From Feb 1, 2026 to Feb 28, 2026

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
3327	2/3/26	Grand Island Waste Solutions LLC	10001.600	5,325.00
3328	2/3/26	National Fuel	10001.600	1,465.54
3329	2/3/26	National Grid	10001.600	310.08
3330	2/3/26	Niagara Falls Water Board	10001.600	471.07
3331	2/11/26	National Grid	10001.600	1,492.86
3332	2/17/26	VERIZON	10001.600	139.71
3333	2/24/26	H.W. Bryk & Sons, Inc.	10001.600	787.50
Total				<u><u>9,991.76</u></u>

NCIDA VIP-MTF Operating
Check Register
For the Period From Feb 1, 2026 to Feb 28, 2026

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
5130	2/3/26	Grand Island Waste Solutions LLC	10001.600	11,675.00
5131	2/3/26	National Grid	10001.600	398.31
5132	2/11/26	Frontier	10001.600	254.31
5133	2/11/26	Modern Disposal Services, Inc.	10001.600	214.50
5134	2/17/26	County of Niagara	10001.600	1,427.52
5135	2/17/26	Town of Wheatfield	10001.600	67.50
5136	2/24/26	H.W.BRYK & SONS, INC.	10001.600	280.00
5137	2/24/26	Professional Janitorial Services, Inc.	10001.600	346.00
Total				<u>14,663.14</u>

Niagara Industrial Incubator Associates
Check Register
For the Period From Feb 1, 2026 to Feb 28, 2026

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
1519	2/3/26	Grand Island Waste Solutions LLC	10000.100	9,175.00
1520	2/3/26	Gratwick Pest Control	10000.100	80.00
1521	2/3/26	National Grid	10000.100	410.64
1522	2/3/26	Niagara Falls Water Board	10000.100	1,608.07
1523	2/3/26	Thomas Fedeson	10000.100	560.00
1524	2/24/26	H.W. Bryk & Sons, Inc.	10000.100	3,865.00
Total				15,698.71

NIAG ECONOMIC DEV FUND

Check Register

For the Period From Feb 1, 2026 to Feb 28, 2026

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
1373	2/3/26	M&T Bank	10000-200	13.39
Total				13.39

NCDC - CDBG/HUD - RLF

Check Register

For the Period From Feb 1, 2026 to Feb 28, 2026

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
298	2/3/26	H. Sicherman & Company, Inc.	10200-300	4,455.50
Total				<u>4,455.50</u>

Niag. Cnty Dev. Corp. - EDA RLF
Check Register
For the Period From Feb 1, 2026 to Feb 28, 2026

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
1370	2/3/26	M&T Bank	10001.100	60.00
Total				60.00

Niag. Cnty Dev. Corp. - Micro RLF

Check Register

For the Period From Feb 1, 2026 to Feb 28, 2026

Filter Criteria includes: Report order is by Date.

Check #	Date	Payee	Cash Account	Amount
2162	2/24/26	Niagara Gazette Lockport Union Sun	10004.400	<u>256.00</u>
Total				<u><u>256.00</u></u>

NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY
BUDGET VARIANCE REPORT AS OF February 28, 2026
UN-AUDITED STATEMENT FOR INTERNAL MANAGEMENT USE ONLY

	Current Month Actual	Current Month Budget	Year To Date Actual	Year To Date Budget	Year To Date Variance	Total Budget
<u>Operating Revenues</u>						
Project Administrative Fees	\$ 7,500.00	\$ 76,619.00	\$ 365,000.00	\$ 208,677.00	156,323.00	\$ 589,316.00
Project Application Fees	1,000.00	1,000.00	3,000.00	2,000.00	1,000.00	12,000.00
NEDF RLF Administrative Fee	4,166.67	4,166.67	8,333.34	8,333.34	0.00	50,000.00
Administrative Fees - Other	0.00	0.00	0.00	0.00	0.00	37,087.00
Interest Earnings	382.72	3,678.33	805.77	7,356.66	(6,550.89)	44,140.00
Miscellaneous Income	14,936.53	14,822.92	29,873.06	29,645.84	227.22	177,875.00
Distributions From Affiliates	0.00	0.00	0.00	0.00	0.00	150,000.00
Distribution from VIP MTF	0.00	0.00	0.00	0.00	0.00	150,000.00
Total Operating Revenues	27,985.92	100,286.92	407,012.17	256,012.84	150,999.33	1,210,418.00
<u>Operating Expenses</u>						
Salaries	32,831.35	34,703.06	68,107.49	69,406.12	(1,298.63)	451,140.00
Benefits	5,130.72	7,619.17	10,668.43	15,238.34	(4,569.91)	91,430.00
Retirement Benefits	5,245.59	5,245.58	10,491.18	10,491.16	0.02	62,947.00
Payroll Taxes	2,535.31	2,613.05	5,280.61	5,226.10	54.51	33,759.00
Unemployment Taxes	708.36	672.31	1,474.37	1,438.31	36.06	1,638.00
Consultants	2,500.00	2,500.00	5,000.00	5,000.00	0.00	30,000.00
Executive Director	8,864.17	8,864.17	17,728.34	17,728.34	0.00	106,370.00
Legal Services	5,488.15	7,333.33	4,447.93	14,666.66	(10,218.73)	88,000.00
Accounting Services	20,000.00	17,940.00	20,000.00	17,940.00	2,060.00	24,180.00
Accounting Services - NADC	0.00	0.00	0.00	0.00	0.00	1,820.00
Advertising & Promotion	0.00	8.33	0.00	16.66	(16.66)	100.00
Marketing	60.00	2,183.33	120.00	4,366.66	(4,246.66)	26,200.00
Sponsorships	0.00	83.33	0.00	166.66	(166.66)	1,000.00
Printing	509.60	83.33	509.60	166.66	342.94	1,000.00
Office Supplies	92.30	166.67	160.19	333.34	(173.15)	2,000.00
Postage	125.45	234.00	774.79	808.00	(33.21)	4,454.00
Telephone & Fax	148.10	145.17	262.87	290.34	(27.47)	1,742.00
Internet Service	186.99	227.33	373.98	454.66	(80.68)	2,728.00
Common Area Charges	908.25	908.25	1,816.50	1,816.50	0.00	10,899.00
Energy	2,618.87	2,273.00	5,347.96	4,828.00	519.96	21,220.00
Conference & Travel	750.75	1,250.00	903.87	2,500.00	(1,596.13)	15,000.00
Employee Training	0.00	500.00	0.00	1,000.00	(1,000.00)	6,000.00
Depreciation Expense	0.00	0.00	0.00	0.00	0.00	6,462.00
Insurance Expense	2,354.33	2,049.08	4,708.66	4,098.16	610.50	24,589.00
Library & Membership	0.00	325.25	1,920.00	650.50	1,269.50	3,903.00
General Office	1,131.61	1,154.33	2,246.16	2,308.66	(62.50)	13,852.00
Repairs & Maintenance	894.50	1,155.08	1,897.56	2,310.16	(412.60)	13,861.00
Computer Support	0.00	500.00	0.00	1,000.00	(1,000.00)	6,000.00
Public Hearings	0.00	25.00	0.00	50.00	(50.00)	300.00
Furniture & Equipment Purchase	0.00	166.67	340.92	333.34	7.58	2,000.00
Other Expense	0.00	83.33	0.00	166.66	(166.66)	1,000.00
Total Operating Expenses	93,084.40	101,012.15	164,581.41	184,799.99	(20,218.58)	1,055,594.00
Net Operating Income/(Loss)	(65,098.48)	(725.23)	242,430.76	71,212.85	171,217.91	154,824.00
<u>Non-Operating Revenue & Expense</u>						
Grant Rev- City NF Initiative	0.00	0.00	0.00	0.00	0.00	1,395,609.00
Grant Sub-City NF Initiative	0.00	0.00	0.00	0.00	0.00	1,395,609.00
Net Non-Operating Income/(Loss)	0.00	0.00	0.00	0.00	0.00	0.00
Total Net Income/(Loss)	(\$ 65,098.48)	(\$ 725.23)	\$ 242,430.76	\$ 71,212.85	171,217.91	\$ 154,824.00

NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

Balance Sheet
February 28, 2026

ASSETS

Current Assets		
Cash - Checking	\$	359,469.72
Petty Cash		300.00
Certificates of Deposit		2,671,925.42
Mmkt Acct. - M&T Bank		249,652.60
Cash - First Response		66,766.82
Cash - City of N.F.		2,213.56
Cataract Tourism C/D		1,337,854.99
Mmkt Acct. - Cataract Tourism		390,488.10
Accts Rec - Public Hearings		3,156.63
Accounts Rec. EDA - RLF		335,833.29
Due To/From Micro RLF		11,149.69
Accounts Rec - NEDF		8,333.34
Due To/From VIP - MTF		339,912.77
Due From NCDC CDBG/HUD		10,833.42
Due To/Due From NADC		500.56
Due To/From MTF Operating		141,670.32
Prepaid Insurance		<u>26,478.15</u>
 Total Current Assets		 5,956,539.38
 Other Assets		
Deferred Outflows		179,158.00
Investment in NIIA		<u>342,500.00</u>
 Total Other Assets		 521,658.00
 Fixed Assets		
Furniture & Equipment		231,672.18
Furn & Fixtures - Fed purchase		5,861.08
Accum Dep. - Furn & Equip		(214,165.75)
Accum Dep. - F&F Fed Purch		<u>(5,861.08)</u>
 Total Fixed Assets		 17,506.43
 Total Assets		 <u><u>\$ 6,495,703.81</u></u>

LIABILITIES AND NET ASSETS

Current Liabilities		
NYS Retirement W/H 414(H)	\$	856.52
Accrued Retirement		10,491.18
Deferred Rev. - First Repsonse		66,766.82
Def. Rev. - City of N.F.		1,730,556.65
Accounts Payable		31,523.43
Acct. Payable - Niag. County		<u>17,728.34</u>
 Total Current Liabilities		 1,857,922.94
 Long-Term Liabilities		
Pension Liability		159,094.00
Deferred Inflows of Resources		<u>5,836.00</u>
 Total Long-Term Liabilities		 <u>164,930.00</u>
 Total Liabilities		 2,022,852.94
 Net Assets		
Fund Balance - Operating Fund		4,230,420.11
Net Income		<u>242,430.76</u>
 Total Net Assets		 <u>4,472,850.87</u>
 Total Liabilities & Net Assets		 <u><u>\$ 6,495,703.81</u></u>

**Niagara County Industrial
Development Agency
Aged Payables
As of February 28, 2026**

Vendor ID Vendor	Invoice #	Amount Due
FCCoffee First Choice Coffee Service	1090825	239.22
LUM Lumsden & McCormick, LLP	224919	20,000.00
M&TBUS M&T Bank	Feb 2026	837.72
NATGRID National Grid	39004 2/26	538.79
NIAGLOCKPORT Niagara Gazette Lokceport Union S 359886	359509	145.36
		145.36
STAPLES STAPLES CONTRACT & COMMERCIAL	7008780104	92.30
sum Summit MSP, LLC	70366	76.60
Report Total		<u>22,075.35</u>

Adjusting Journal Entries

Estimated Feb 2026 Legal Fees	4,428.00
Estimated Jan-Feb 2026 Copier usage	380.00
Estimated Jan-Feb 2026 Telephone	60.00
Estimated Feb 2026 Niagara County Electric	1,230.08
Estimated Feb 2026 Niagara County Gas	850.00
Estimated Feb 2026 Consulting	2,500.00
	<u><u>31,523.43</u></u>

NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY

3/11/2026

**Project Income - 2026
Lease/Lease Back and Bonds**

Closed 2026	Project Type	Total Project Amount	IDA Project Amount	Admin. Fees	Application Fees	Amount Received to Date	Date Received	Balance Due	Date Closed
Amazon.com Services LLC	L/L Back			357,500		357,500	1/12/26	-	
Precision Industrial, LLC	L/L Back	1,277,000	1,265,000	7,500	1,000	8,500	2/25/26	-	

TOTAL

365,000

Fees received in prior year -

Total fees received to date in 2026 365,000

Total 2026 Budgeted Fees 589,316

Balance of Budgeted Fees 224,316

Projected 2026	Project Type	Total Project Amount	IDA Project Amount	Anticipated Fees	Application Fee	Amount Received to Date	Date Received	Anticipated Balance Due	Inducement Expiration
Hotel Niagara Development, LLC	L/L Back	43,959,500	41,709,500	220,000	1,000	1,000	7/5/24	220,000	7/15/26
Saint-Gobain Ceramics & Plastics Inc.	L/L Back	41,523,000		TBD	1,000	0		1,000	
235 River Road LLC	L/L Back	36,665,978	28,426,762	190,000	1,000	1,000	9/11/24	190,000	4/30/26
Rock One Development - 614 River Road	Sales Tax C	1,985,720	79,712	7,971	1,000	1,000	7/25/25	7,971	8/31/26
Voss Manufacturing, Inc.	L/L Back	4,731,000	2,700,000	27,000	1,000	1,000	1/3/25	27,000	2/28/26
Woodstream Landing LLC	L/L Back	14,295,000	13,795,000	118,750	1,000	1,000	9/4/25	118,750	10/31/26
Buffalo Transformer Services, LLC	L/L Back	2,440,000	1,340,000	13,400	1,000	1,000	10/27/25	13,400	11/30/26
Allegheny Manufacturing, LLC	L/L Back	1,336,000	416,000	4,160	1,000	1,000	11/6/25	4,160	12/31/26
Americarb, Inc.	L/L Back	29,000,000	24,000,000	240,000	1,000	1,000	11/12/25	240,000	12/31/26
NEOFAB Robotics Corp	L/L Back	4,626,000	3,476,000		1,000	1,000	12/24/25	-	2/28/27
National Vacuum Environmental Services Corp	Sales Tax C	1,164,020			1,000	1,000	1/2/26	-	1/31/27
Somerset Solar, LLC	Sales Tax & Mtg Tax Only	276,621,091			1,000	1,000	2/25/26	-	

TOTAL

821,281 12,000 11,000

822,281 0

TOTAL - Projected Income 2026

1,186,281 12,000 11,000

822,281 365,000

Projected 2027	Project Type	Total Project Amount	IDA Project Amount	Anticipated Fees	Application Fee	Amount Received to Date	Date Received	Anticipated Balance Due	Inducement Expiration

TOTAL

0 0 0

0 0

* Pending Board Approval

Cataract Tourism Fund Grant Program

Grantee Name	Grant Awards	Outst'd'g Awards	Approval Date	Disbursement Date	Disbursement Amount	Offer Expiration	Project Description
Niagara County Dept. of Economic Development	37,667	0	10/11/2017	1/23/2018	37,667.00		Feasibility study for Niagara Falls area multi-use facility.
Niagara Aquarium Foundation	88,147	0	2/14/2018	7/15/2019	88,147.00		Jellyfish exhibit and equipment.
The Tourism Research Entrepreneurship Center (TReC)	176,600	0	8/8/2018	6/2/2020	176,600.00		Buildout, audio/visual equipment and network connectivity hardware.
Niagara Aquarium Foundation	16,717	0	2/12/2020	10/21/2020	16,717.00		Renovations to second floor event room.
Niagara Aquarium Foundation	370,000	0	8/14/2019	2/9/2021	370,000.00		Interactive touch pools adjacent to main entrance of the Aquarium.
Red Star Builders, LLC (The Niagara Club)	64,403	0	7/10/2019	9/7/2021	64,403.00		Spot Coffee.
Niagara Falls Center for Tourism LLC	1,000,000	0	6/12/2019	7/7/2023	598,661.03	3/1/2026	Construction of an indoor family entertainment center and outdoor improvements.
The Center for Kashmir, Inc.	573,000	300,000	6/14/2023	8/9/2023	273,000.00		Renovations to vacant church for a museum of art and culture for Kashmir.
Savarino Companies, LLC	155,000	0	4/14/2021	4/26/2023	155,000.00		Rehabilitation of 4,000 square feet of commercial/retail storefront space.
Niagara Aquarium Foundation	900,000	0	2/9/2022	3/6/2025	900,000.00		Renovations to the Niagara Gorge Discovery Center for expanded programming.
Niagara Aquarium Foundation	35,000	0	2/8/2023	1/2/2024	35,000.00		Sea turtle exhibit.
Burger Factory Niagara Falls, Inc.	185,250	0	2/8/2023	1/11/2024	185,250.00		Facade renovations.
Niagara Falls International Cuisine, Inc.	76,500	0	2/8/2023	1/11/2024	44,922.31		Dining area renovations.
TM Montante Development(Radio Niagara)	0	0	3/22/2023	Removed 11/1/2025	0.00		Renovations for restaurant, bar, game space, bowling lounge and boutique hotel.
Live-USA Incorporated	450,000	450,000	8/14/2024	To Be Disbursed	0.00		Renovation of restaurant, bar and music entertainment venue.
Niagara Falls Urban Renewal Agency	204,000	0	10/9/2024	1/29/2025	204,000.00	12/31/2027	Acquisition of properties along Main Street in Niagara Falls.
Niagaras Krispy Crunchy Fried Chicken, LLC	48,750	0	6/11/2025	11/17/2025	48,750.00		Open a Niagaras Krispy Crunchy Fried Chicken restaurant in the Hyatt Hotel in downtown Niagara Falls.
Hammer & Crown BC	33,000	33,000	3/22/2023	To Be Disbursed	0.00		Kitchen buildout, bar and dining area remodeling.
To Date Sub-Total	<u>4,414,034</u>	<u>783,000</u>			<u>3,198,117.34</u>		

Cash on hand as of 2/28/2026 1,730,556.65

Less: Outstanding Awards (783,000.00)

Available for awarding grants 947,556.65

Grant Fund Balance	-
Grant Funding from NYS 11/22/2016	1,600,000.00
Grant Funding from NYS 10/16/2017	1,440,000.00
Grant Funding from NYS 10/12/2018	1,600,000.00
Bank Interest	288,717.25
Bank Fees	(43.26)
Grant Disbursements	<u>(3,198,117.34)</u>
Grant Fund Balance	<u>1,730,556.65</u>

NIAGARA COUNTY INDUSTRIAL DEVELOPMENT AGENCY ("NCIDA")

FINANCE & AUDIT COMMITTEE CHARTER

This Charter shall also serve as the charter for the Financial & Audit Committee of the Niagara County Industrial Development Agency ("Agency"), upon approval by the Board of the corporation.

ARTICLE I Core Functions

The core functions of the Financial & Audit Committee are set forth include: (i) providing assistance to members of the Agency in fulfilling their fiduciary responsibilities relating to accounting, reporting and regulatory compliance practices; (ii) maintaining, by way of regularly scheduled meetings, a direct line of communication between the members of the Agency and the Agency's independent accountants and auditors to provide for exchanges of views and information; (iii) maintaining, as appropriate, a direct line of communication between the 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; and (vi) recommending to the Board the level of cash reserves and the level of fund balances of the Agency.

ARTICLE II Composition

Members of the Financial & Audit Committee shall be appointed in accordance with the Bylaws. The Board shall designate one member of the Financial & Audit Committee to serve as chair of the Financial & Audit Committee. Each member of the Financial & Audit Committee shall serve for a term of one (1) year and until his or her successor shall be appointed and qualified.

At least three members of the Financial & Audit Committee must be 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. Financial & Audit Committee members shall be prohibited from being an employee of the Agency or an immediate family member of an employee of the Agency. Members of the Financial & Audit Committee shall not engage in any private business transactions with the Agency or receive compensation from any private entity that has material business relationships with the Agency, or be an immediate family member or an individual that engages in private business transactions with the Agency or receives compensation from an entity that has material business relationships with the Agency. In addition, Financial & Audit Committee members who are members of the Agency shall comply

with the conflict of interest provisions applicable to public officers under Article 18 of the New York General Municipal Law.

ARTICLE III Committee Meetings

The Financial & Audit Committee will meet a minimum of twice each calendar year (at least once prior to the commencement of the annual audit process and once after completion of the annual audit process). Additional meetings may be necessary or appropriate to adequately fulfill the obligations and duties outlined in this Charter. All committee members are expected to attend each meeting, in person or via videoconference. The Financial & Audit Committee may invite other individuals, such as members of management, auditors or other technical experts to attend meetings and provide pertinent information, as necessary.

Meeting notices and agendas will be prepared for each meeting and provided to Financial & Audit Committee members by electronic or regular mail at least five (5) days in advance of the scheduled meeting. A quorum of the Finance & Audit Committee shall consist of a majority of the members then serving on the Finance & Audit Committee. The affirmative vote of a majority of the members then serving on the Finance & Audit Committee shall constitute an act of the Financial & Audit Committee. Minutes of all meetings shall be recorded by the Secretary or any Assistant Secretary of the Agency. All meetings shall comply with the requirements of the Open Meetings Law.

ARTICLE IV Committee Responsibilities

The Finance & Audit Committee shall have responsibilities related: (a) the independent auditor and annual financial statements; (b) oversight of management's internal controls, compliance and risk assessment practices; (c) special investigations and whistleblower policies; (d) miscellaneous issues related to the financial practices of the Agency; and (e) shall review proposals for the issuance of debt by the Agency and make recommendations regarding such proposed debt issuance.

A. Independent Auditors and Financial Statements

The Finance & Audit Committee shall:

- (i) Recommend to the Board the hiring of independent auditors, establish the compensation to be paid to the auditors retained by the Agency and provide oversight of the audit services provided by the independent auditor.
- (ii) Establish procedures for the engagement of the independent auditor to provide permitted audit services. The Agency's independent auditor shall be prohibited from providing non-audit services unless having received previous written approval from the Finance & Audit Committee. Non-

audit services include tasks that directly support the Agency's operations, such as (a) bookkeeping or other services related to the accounting records or financial statements of the Agency; (b) financial information systems design and implementation; (c) appraisal or valuation services, fairness opinions, or contribution-in-kind reports; (d) actuarial services; (e) internal audit outsourcing services; (f) management functions or human resource services; (g) broker or dealer, investment advisor, or investment banking services; and (h) legal services and expert services unrelated to the audit function.

- (iii) Review and approval the Agency's audited financial statements, associated management letter and all other auditor communications.
- (iv) Review significant accounting and reporting issues, including complex or unusual transactions and management decisions, and recent professional and regulatory pronouncements, and understand their impact on the financial statements of the Agency.
- (v) Meeting with the Agency's independent auditor at least annually to discuss the financial statements of the Agency, and on an as-needed basis to discuss any significant issues that may have surfaced during the course of the audit.
- (vi) Review and discuss any significant risks reported in the independent audit findings and recommendations and assess the responsiveness and timeliness of management's follow-up activities pertaining to the same.

B. Internal Controls, Compliance and Risk Assessment

The Finance & Audit Committee shall 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, if any, in the Agency's internal controls, regulatory compliance, organizational structure and operations, and if applicable, any weaknesses noted.

C. Special Investigations

The Finance & Audit Committee shall:

- (i) Ensure that the Agency has an appropriate confidential mechanism for individuals to report suspected fraudulent activities, allegations of corruption, fraud, criminal activity, conflicts of interest or abuse by the directors, officers or employees of the Agency or any persons having business dealings with the Agency or breaches of internal control.
- (ii) Develop procedures for the receipt, retention, investigation and/or referral of complaints concerning accounting, internal controls and auditing.

- (iii) Request and oversee special investigations as needed and/or refer specific issues to the Board or appropriate committee of the Board for further investigation.

D. Other Responsibilities

The Finance & Audit Committee shall 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 a certain level of familiarity in financial reporting standards and processes.

E. Debt Issuance

The Finance & Audit Committee shall review proposals for the issuance of debt and make recommendations regarding such proposed debt issuance.

ARTICLE V
Committee Reports

The Finance & Audit Committee shall:

- A. Report its actions and recommendations to the Board at each regular meeting of the Board following a meeting of the Finance & Audit Committee and when otherwise requested by the Board;
- B. Report to the Board, at least annually, regarding any proposed changes to this Charter;
- C. Provide a self-evaluation of the Finance & Audit Committee's functions to the Board on an annual basis; and
- D. Report to the Board on a periodic basis, at least annually, the findings of its independent auditors. These reports shall include careful consideration of the actions taken by management on the independent auditors' suggestions for correcting weaknesses, if any, in the Agency's internal controls, regulatory compliance, organizational structure and operations. These reports may include the adequacy of the audit effort by the Agency's independent auditors, the financial and regulatory compliance reporting decisions of management, the adequacy of disclosure of information essential to a fair presentation of the financial affairs and regulatory compliance efforts of the Agency, and the organization and quality of the Agency's system of management and internal accounting controls.

ARTICLE VI
Amendments

This Charter may be amended upon affirmative vote of a majority of the Board of the Agency.