

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

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2024**

## 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, which comprise the balance sheets as of December 31, 2024 and 2023, and the related statements of activities and cash flows 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 financial position of NCDC as of December 31, 2024 and 2023, 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.

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 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 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 financial statements or to the 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 financial statements as a whole.

A handwritten signature in blue ink that reads "Lumsden & McCormick, LLP". The signature is written in a cursive, flowing style.

March 26, 2025

NIAGARA COUNTY DEVELOPMENT CORPORATION  
(a component unit of Niagara County Industrial Development Agency)

**Balance Sheets**

December 31,	2024	2023
<b>Assets</b>		
<b>Current assets:</b>		
Cash	\$ 741,716	\$ 2,094,129
Investments	1,680,000	-
Loans receivable (Note 2)	538,767	601,111
	<u>2,960,483</u>	<u>2,695,240</u>
<b>Noncurrent assets:</b>		
Loans receivable (Note 2)	667,336	627,111
Allowance for estimated credit losses (Note 2)	(48,933)	(72,189)
	<u>618,403</u>	<u>554,922</u>
	<u>\$ 3,578,886</u>	<u>\$ 3,250,162</u>
<b>Liabilities and Net Assets</b>		
<b>Current liabilities:</b>		
Accounts payable		
Third parties	\$ 3,429	\$ 3,087
NCIDA	219,495	39,259
	<u>222,924</u>	<u>42,346</u>
<b>Net assets without donor restrictions</b>	<u>3,355,962</u>	<u>3,207,816</u>
	<u>\$ 3,578,886</u>	<u>\$ 3,250,162</u>

See accompanying notes.

NIAGARA COUNTY DEVELOPMENT CORPORATION  
(a component unit of Niagara County Industrial Development Agency)

**Statements of Activities**

For the years ended December 31,	2024	2023
<b>Net assets without donor restrictions</b>		
Revenues and support:		
Interest from loans	\$ 25,191	\$ 29,131
Application fees	3,500	-
Interest income	10,019	7,950
Contributions and grants	580,419	461,361
Credit loss recoveries	23,256	-
Total revenues and support	<u>642,385</u>	<u>498,442</u>
Expenses:		
Program services		
Consultants and training	24,774	11,102
Grant expense	230,521	254,247
Provision for estimated credit losses	-	72,189
	<u>255,295</u>	<u>337,538</u>
General and administrative		
Administrative fees - NCIDA	45,000	9,013
Professional fees and other	43,944	43,367
Transfer to NCIDA	150,000	-
	<u>238,944</u>	<u>52,380</u>
Total expenses	<u>494,239</u>	<u>389,918</u>
<b>Change in net assets</b>	<b>148,146</b>	<b>108,524</b>
Net assets - beginning	<u>3,207,816</u>	<u>3,099,292</u>
<b>Net assets - ending</b>	<b>\$ 3,355,962</b>	<b>\$ 3,207,816</b>

NIAGARA COUNTY DEVELOPMENT CORPORATION  
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**Statements of Cash Flows**

For the years ended December 31,	2024	2023
<b>Operating activities:</b>		
Change in net assets	\$ 148,146	\$ 108,524
Adjustments to reconcile change in net assets to net operating activities:		
Estimated credit losses (recovery) on loans	(23,256)	72,189
Changes in other assets and liabilities:		
Accounts payable	180,578	(81,695)
Refundable advances	-	(273,411)
<b>Net operating activities</b>	<b>305,468</b>	<b>(174,393)</b>
<b>Investing activities:</b>		
Payments collected on loans receivable	606,119	827,670
Loans awarded	(584,000)	(187,000)
Purchase of investments	(1,680,000)	-
<b>Net investing activities</b>	<b>(1,657,881)</b>	<b>640,670</b>
Net change in cash	(1,352,413)	466,277
Cash - beginning	2,094,129	1,627,852
<b>Cash - ending</b>	<b>\$ 741,716</b>	<b>\$ 2,094,129</b>

See accompanying notes.

## Notes to Financial Statements

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### 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.

#### Subsequent Events

Subsequent events have been evaluated by management for potential recognition or disclosure in the financial statements through March 26, 2025, the date the financial statements were available to be issued.

#### 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, 2024 and 2023, 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.

### 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.

### 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, 2024. 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:

	2024	2023
Current status	\$ 1,050,720	\$ 1,011,353
Non-accrual	155,383	216,869
	1,206,103	1,228,222
Less current portion	538,767	601,111
	\$ 667,336	\$ 627,111

The allowance for estimated credit losses totaled \$48,933 and \$72,189 at December 31, 2024 and 2023.

## 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 received from the Microenterprise Revolving Loan Account totaled \$45,000 and \$9,013 for the years ended December 31, 2024 and 2023.

## 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, 2024 and 2023:

	2024	2023
Cash	\$ 741,716	\$ 2,094,129
Investments	1,680,000	-
Loans receivable – current	538,767	601,111
	\$ 2,960,483	\$ 2,695,240

## 5. Commitments

During 2024, NCDC was awarded \$435,000 of Community Development Block Grant funds to provide a loan to an eligible small business. As of December 31, 2024, no amounts have been disbursed.



NIAGARA COUNTY DEVELOPMENT CORPORATION  
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**Additional Information**  
**Balance Sheets - By Loan Account**

December 31, 2024

	Revolving Loan Account			Total
	EDA	HUD	Micro Enterprise	
<b>Assets</b>				
<b>Current assets:</b>				
Cash	\$ 259,459	\$ 112,229	\$ 370,028	<b>\$ 741,716</b>
Investments	900,000	780,000	-	<b>1,680,000</b>
Loans receivable	330,232	199,552	8,983	<b>538,767</b>
	<u>1,489,691</u>	<u>1,091,781</u>	<u>379,011</u>	<b><u>2,960,483</u></b>
<b>Noncurrent assets:</b>				
Loans receivable	432,141	220,248	14,947	<b>667,336</b>
Allowance for estimated credit losses	(48,933)	-	-	<b>(48,933)</b>
	<u>\$ 1,872,899</u>	<u>\$ 1,312,029</u>	<u>\$ 393,958</u>	<b><u>\$ 3,578,886</u></b>
<b>Liabilities and Net Assets</b>				
<b>Current liabilities:</b>				
Accounts payable				
Third parties	\$ 200	\$ 2,798	\$ 431	<b>\$ 3,429</b>
NCIDA	169,999	20,000	29,496	<b>219,495</b>
	<u>170,199</u>	<u>22,798</u>	<u>29,927</u>	<b><u>222,924</u></b>
<b>Net assets without donor restrictions</b>	<u>1,702,700</u>	<u>1,289,231</u>	<u>364,031</u>	<b><u>3,355,962</u></b>
	<u>\$ 1,872,899</u>	<u>\$ 1,312,029</u>	<u>\$ 393,958</u>	<b><u>\$ 3,578,886</u></b>

NIAGARA COUNTY DEVELOPMENT CORPORATION  
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**Additional Information**  
**Statements of Activities - By Loan Account**

For the year ended December 31, 2024

	Revolving Loan Account			Total
	EDA	HUD	Micro Enterprise	
<b>Net assets without donor restrictions:</b>				
Revenues and support:				
Interest from loans	\$ 19,590	\$ 4,584	\$ 1,017	<b>\$ 25,191</b>
Application fees	3,500	-	-	<b>3,500</b>
Interest income	7,597	2,422	-	<b>10,019</b>
Contributions and grants	-	304,898	275,521	<b>580,419</b>
Credit loss recoveries	23,256	-	-	<b>23,256</b>
Total revenues and support	53,943	311,904	276,538	<b>642,385</b>
Expenses:				
Program services				
Consultants and training	953	23,821	-	<b>24,774</b>
Grant expense	-	-	230,521	<b>230,521</b>
	953	23,821	230,521	<b>255,295</b>
General and administrative				
Administrative fees - NCIDA	-	-	45,000	<b>45,000</b>
Professional fees and other	16,063	13,449	14,432	<b>43,944</b>
Transfer to NCIDA	150,000	-	-	<b>150,000</b>
	166,063	13,449	59,432	<b>238,944</b>
Total expenses	167,016	37,270	289,953	<b>494,239</b>
<b>Change in net assets</b>	(113,073)	274,634	(13,415)	<b>148,146</b>
Net assets - beginning	1,815,773	1,014,597	377,446	<b>3,207,816</b>
<b>Net assets - ending</b>	<b>\$ 1,702,700</b>	<b>\$ 1,289,231</b>	<b>\$ 364,031</b>	<b>\$ 3,355,962</b>

NIAGARA COUNTY DEVELOPMENT CORPORATION  
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**Additional Information**  
**Schedule of EDA Revolving Loan Account**

For the year ended December 31, 2024

	Loan Closing Date	Loan Balance 01/01/24	Loans Made	Principal Paid	Loans Written Off	Loan Balance 12/31/24	Reserve for Uncollectible Loans	Interest Received
Ashdan Screw Machine Products, Inc.	06/04/09	\$ 2,930	\$ -	\$ 2,930	\$ -	\$ -	\$ -	\$ 43
Lake Effect Ice Cream Wholesale, LLC	08/29/17	29,177	-	17,664	-	11,513	-	619
Niagara Shores Campground and Conference Center, LLC	08/14/18	72,189	-	23,256	-	48,933	48,933	2,082
Diverse Development Corp.	07/06/20	20,889	-	13,135	-	7,754	-	223
Falls Hotel LLC	07/06/20	34,528	-	20,613	-	13,915	-	377
Galloping Falls Corp.	07/06/20	10,627	-	6,877	-	3,750	-	121
Kalika Hotel LLC	07/06/20	29,898	-	14,855	-	15,043	-	290
Neelkanth Hotel LLC	07/06/20	27,417	-	16,368	-	11,049	-	299
REHC1 Inc.	07/06/20	70,341	-	41,994	-	28,347	-	767
Lewiston Hotel LLC	07/09/20	6,499	-	501	-	5,998	-	8
Kasturi Hotel LLC	07/24/20	80,601	-	52,162	-	28,439	-	920
Sairam Hotel LLC	07/24/20	41,799	-	24,079	-	17,720	-	425
SAI Lodging LLC	07/27/20	29,837	-	17,188	-	12,649	-	303
Niagara Falls Hospitality, Inc.	10/30/20	22,684	-	11,754	-	10,930	-	260
Jaihanumant, Inc.	10/30/20	54,714	-	27,169	-	27,545	-	583
Reena & Aimee, Inc.	10/30/20	42,426	-	21,983	-	20,443	-	486
Har Gange, LLC	11/03/20	14,770	-	14,770	-	-	-	188
NCRAS Five, Inc.	11/03/20	11,547	-	5,730	-	5,817	-	134
Shree Ganpati LLC	11/03/20	18,152	-	9,008	-	9,144	-	211
AMBE Corp.	11/06/20	7,592	-	3,182	-	4,410	-	85
Wandering Gypsy Brewing Company	11/06/20	137,088	-	29,786	-	107,302	-	3,269
Indian Ocean, LLC	08/31/21	64,729	-	19,334	-	45,395	-	700
Rupal Corporation	08/31/21	38,897	-	11,618	-	27,279	-	421
Graham Bros. Enterprises, LLC	04/10/24	-	150,000	-	-	150,000	-	5,053
1500 James, LLC	09/25/24	-	150,000	1,002	-	148,998	-	1,723
		\$ 869,331	\$ 300,000	\$ 406,958	\$ -	\$ 762,373	\$ 48,933	\$ 19,590

NIAGARA COUNTY DEVELOPMENT CORPORATION  
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**Additional Information**  
**Schedule of HUD Revolving Loan Account**

For the year ended December 31, 2024

	Loan Closing Date	Loan Balance 01/01/24	Loans Made	Principal Paid	Loans Written Off	<b>Loan Balance 12/31/24</b>	Reserve for Uncollectible Loans	Interest Received
Daniel McMahon d/b/a MCM Landscaping	09/19/18	\$ 8,834	\$ -	\$ 947	\$ -	<b>\$ 7,887</b>	\$ -	\$ 75
GAM Trucking Corporation	12/12/18	9,279	-	3,434	-	<b>5,845</b>	-	230
LaSalle Hospitality, Inc.	07/06/20	58,021	-	33,423	-	<b>24,598</b>	-	589
Merani Hospitality, Inc.	07/06/20	94,602	-	54,496	-	<b>40,106</b>	-	961
Merani Holdings, LLC	07/06/20	127,084	-	73,207	-	<b>53,877</b>	-	1,291
Jai Devi Inc.	07/09/20	3,568	-	3,568	-	<b>-</b>	-	10
Kabir Group Inc.	07/09/20	13,131	-	7,438	-	<b>5,693</b>	-	111
Deva Development Inc.	07/27/20	15,848	-	9,129	-	<b>6,719</b>	-	161
Pemm Niagara, LLC	06/21/24	-	142,000	8,925	-	<b>133,075</b>	-	1,156
Pemm Niagara, LLC	06/21/24	-	142,000	-	-	<b>142,000</b>	-	-
		<b>\$ 330,367</b>	<b>\$ 284,000</b>	<b>\$ 194,567</b>	<b>\$ -</b>	<b>\$ 419,800</b>	<b>\$ -</b>	<b>\$ 4,584</b>

NIAGARA COUNTY DEVELOPMENT CORPORATION  
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**Additional Information**  
**Schedule of Micro Enterprise Revolving Loan Account**

For the year ended December 31, 2024

	Loan Closing Date	Loan Balance 01/01/24	Loans Made	Principal Paid	Loans Written Off	Loan Balance 12/31/24	Reserve for Uncollectible Loans	Interest Received
Legacy Dance Studio, Inc.	01/23/18	\$ 19,294	\$ -	\$ 1,800	\$ -	\$ 17,494	\$ -	\$ 832
Caribbean Flava	08/10/18	9,230	-	2,794	-	6,436	-	185
		<u>\$ 28,524</u>	<u>\$ -</u>	<u>\$ 4,594</u>	<u>\$ -</u>	<u>\$ 23,930</u>	<u>\$ -</u>	<u>\$ 1,017</u>

**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 balance sheet of Niagara County Development Corporation (NCDC), a component unit of Niagara County Industrial Development Agency, as of December 31, 2024, and the related statements of activities 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 26, 2025.

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, 2024. 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 26, 2025