

**NIAGARA FALLS URBAN RENEWAL AGENCY**  
**745 Main Street**  
**Niagara Falls, New York 14302**

May 11, 2022

**TO:** The Members of the Niagara Falls Urban Renewal Agency  
**FROM:** Robert Restaino, Chairman  
**RE:** Notice of Meeting

Please be advised that a meeting of the Niagara Falls Urban Renewal Agency will be held at the date and time stated below.

**DATE:** Wednesday, May 18, 2022  
**TIME:** 5:00 P.M. or immediately following NFC Development Corp.  
**PLACE:** City Hall – Council Chambers  
745 Main Street  
Niagara Falls, N.Y.

The agenda and materials are attached for your information and review.

Please contact Sarina Deacon at 286-4470 to confirm your attendance. Thank you.

**NIAGARA FALLS URBAN RENEWAL AGENCY**  
**745 Main Street**  
**Niagara Falls, New York 14302**

**TO:** The Members of the Niagara Falls Urban Renewal Agency

**FROM:** Mayor Robert Restaino, Chairman

**RE:** **NFURA Meeting Scheduled for:**  
**Wednesday, May 18, 2022, 5:00 P.M.**  
**City Hall – City Council Chambers**  
**745 Main Street, Niagara Falls, New York**

**AGENDA**

1. Roll Call
2. Approval of Minutes:  
- Meeting of March 23, 2022 VOTE
3. Presentation of 2021 Audit INFORMATIONAL
4. URA Policy – Non-Discrimination VOTE
5. Old Business:
6. New Business
7. Adjournment VOTE

**NIAGARA FALLS URBAN RENEWAL AGENCY**  
**Minutes of Meeting March 23, 2022**  
**745 Main Street**  
**Niagara Falls, New York**

**Present:**

Mayor Restaino  
Doug Mooradian  
John Spanbauer  
Michael Hooper  
David Zajac

**Absent:**

Kenny Thompkins  
Donta Myles  
Doreen O'Connor  
Traci Bax

**Staff**

**Present:**

Sarina Deacon, Planning Clerk

Mayor Robert Restaino called the meeting to order at 5:00PM

1. Roll Call

Mayor Restaino  
Doug Mooradian  
John Spanbauer  
Michael Hooper  
David Zajac

MAYOR RESTAINO stated a quorum was present.

2. Approval of Meeting Minutes

MAYOR RESTAINO stated that he assumed all the members had received their packets and reviewed the meeting minutes from November 17<sup>th</sup> 2021 and December 13<sup>th</sup> 2021. MAYOR RESTAINO asked if anyone had any modifications to make.

A motion to approve the meeting minutes from both November 17<sup>th</sup> 2021 and December 13<sup>th</sup> 2021 was made by MR. SPANBAUER and seconded by MR. MOORADIAN.

**POLLED VOTE:**

In Favor:	5
Opposed:	0
<b>Approved</b>	Unanimously

**NIAGARA FALLS URBAN RENEWAL AGENCY**  
**Minutes of Meeting March 23, 2022**  
**745 Main Street**  
**Niagara Falls, New York**

3. 2022 URA Meeting Schedule

MAYOR RESTAINO referred to the meeting schedule for 2022 the Council Members had received in their packets. MAYOR RESTAINO stated that the January 26<sup>th</sup> meeting had been cancelled due to lack of agenda items. MAYOR RESTAINO stated all meetings for 2022 should occur unless there were any special meeting or lack of agenda items.

**POLLED VOTE:**

In Favor:	5
Opposed:	0
<b>Approved</b>	Unanimously

MAYOR RESTAINO that the election of officers for the URA would take place at this meeting.

4. Organizational Meeting

MAYOR RESTAINO asked if there were any nominations for Chief Financial Officer.

MAYOR RESTAINO chose MR. SPANBAUER as the Chief Financial Officer and MR. ZAJAC as the Alternative Financial Officer.

A motion was made to elect MR. SPANBAUER as Chief Financial Officer and MR. ZAJAC as Alternative Financial Officer by MR. HOOPER and seconded by MR. MOORADIAN

**POLLED VOTE:**

In Favor:	5
Opposed:	0
<b>Approved</b>	Unanimously

MAYOR RESTAINO asked if there were any nominations for Secretary

MAYOR RESTAINO chose MR. MOORADIAN as the Secretary and MR. HOOPER as the Acting Secretary.

A motion was made to elect MR. MOORADIAN as Secretary and MR. HOOPER as the Acting Secretary by MR. SPANBAUER and seconded by MR. ZAJAC.

**POLLED VOTE:**

In Favor:	5
Opposed:	0
<b>Approved</b>	Unanimously

5. URA Policies

**NIAGARA FALLS URBAN RENEWAL AGENCY**  
**Minutes of Meeting March 23, 2022**  
**745 Main Street**  
**Niagara Falls, New York**

MAYOR RESTAINO stated that he hoped the Council Members had looked over the paperwork. MAYOR RESTAINO stated that all questions could be directed to him. He stated they would go through each section independently...

a. Mission Statement

A motion to approve the policy was made by MR. SPANBAUER and seconded by MR. MOORADIAN

**POLLED VOTE:**

In Favor:	5
Opposed:	0
<b>Approved</b>	Unanimously

b. Investment Guidelines

A motion to approve the guidelines was made by MR. SPANBAUER and seconded by MR. MOORADIAN

**POLLED VOTE:**

In Favor:	5
Opposed:	0
<b>Approved</b>	Unanimously

c. Property Disposition Policy

A motion to approve the policy was made by MR. SPANBAUER and seconded by MR. MOORADIAN

**POLLED VOTE:**

In Favor:	5
Opposed:	0
<b>Approved</b>	Unanimously

d. Banking Resolution

A motion to approve the resolution was made by MR. SPANBAUER and seconded by MR. MOORADIAN

**POLLED VOTE:**

In Favor:	5
Opposed:	0
<b>Approved</b>	Unanimously

e. Employee Protection/Code of Conduct Policy

**NIAGARA FALLS URBAN RENEWAL AGENCY**  
**Minutes of Meeting March 23, 2022**  
**745 Main Street**  
**Niagara Falls, New York**

MAYOR RESTAINO stated the policy was drawn up as the standard and usual employee code of conduct.

A motion to approve the policy was made by MR. SPANBAUER and seconded by MR. MOORADIAN

**POLLED VOTE:**

In Favor:	5
Opposed:	0
<b>Approved</b>	Unanimously

f. Conflict of Interest Policy

MAYOR RESTAINO stated it was standard with code of conduct.

A motion to approve the policy was made by MR. SPANBAUER and seconded by MR. MOORADIAN

**POLLED VOTE:**

In Favor:	5
Opposed:	0
<b>Approved</b>	Unanimously

g. Compensation Policy

A motion to approve the policy was made by MR. SPANBAUER and seconded by MR. MOORADIAN

**POLLED VOTE:**

In Favor:	5
Opposed:	0
<b>Approved</b>	Unanimously

6. Old Business

MAYOR RESTAINO stated there was no Old Business pending.

7. New Business

MAYOR RESTAINO stated that MS. CELIK had left her position as Planner Two in the Planning Department. MAYOR RESTAINO had accepted her resignation.

**NIAGARA FALLS URBAN RENEWAL AGENCY**  
**Minutes of Meeting March 23, 2022**  
**745 Main Street**  
**Niagara Falls, New York**

A motion was made to accept the resignation of GRACE CELIK as the Former Recording Secretary and accept the appointment of SARINA DEACON as the new Recording Secretary was made by MR. MOORADIAN and seconded by MR. SPANBAUER

**POLLED VOTE:**

In Favor:	5
Opposed:	0
<b>Approved</b>	Unanimously

MAYOR RESTAINO asked if any of the board members had any questions, concerns or anything they wanted to address.

A motion to adjourn the meeting at 5:23PM was made by MR. SPANBAUER and seconded by MR. MOORADIAN.

## REPORT TO THE BOARD

March 23, 2022

The Board of Directors  
Niagara Falls Urban Renewal Agency:

We have audited the financial statements of the Niagara Falls Urban Renewal Agency (the Agency) for the year ended December 31, 2021, and have issued our report thereon dated March 23, 2022. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America and Government Auditing Standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter. Professional standards also require that we communicate to you the following information related to our audit.

### Significant Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Agency are described in note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended December 31, 2021. We noted no transactions entered into by the Agency during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

### Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

For the year ended December 31, 2021, we evaluated the key factors and assumptions used by management in determining that accounting estimates were reasonable in relation to the financial statements taken as a whole.



### Significant Disclosures

The financial statement disclosures are neutral, consistent and clear.

### Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

### Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements.

### Disagreements with Management

For purposes of this report, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of the audit.

### Management Representations

We have requested certain representations from management that are included in the management representation letter.

### Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Agency's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management prior to being engaged as auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis which is required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

\* \* \* \* \*

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

Very truly yours,

*EFPR Group, CPAs, PLLC*

EFPR GROUP, CPAs, PLLC

NIAGARA FALLS URBAN RENEWAL AGENCY  
(A Blended Component Unit of the City of  
Niagara Falls, New York)  
Financial Statements and  
Independent Auditors' Report  
December 31, 2021 and 2020

NIAGARA FALLS URBAN RENEWAL AGENCY  
(A Blended Component Unit of the City of Niagara Falls, New York)

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## INDEPENDENT AUDITORS' REPORT

The Board of Directors  
Niagara Falls Urban Renewal Agency:

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the financial statements of Niagara Falls Urban Renewal Agency (the Agency), a blended component unit of the City of Niagara Falls, New York (the City), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities for the year then ended, and the related notes to financial statements, which collectively comprise the Agency's basic financial statement 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, 2021, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### 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 that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Prior Period Financial Statements

The financial statements of the Agency as of December 31, 2020, were audited by other auditor's whose report dated March 23, 2021, expressed an unmodified opinion on those statements.

#### Emphasis of Matter

As discussed in note 1, the financial statements of the Agency, a blended component unit of the City, are intended to present the financial position, and the changes in financial position of only that portion of the governmental activities of the City that is attributable to the transactions of the Agency. They do not purport to, and do not, present fairly the financial position of the City, as of

December 31, 2021, and the changes in its financial position for the year then ended in accordance with 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 accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of 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 within one year after the date of the financial statements are available to be 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 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.

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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.

#### Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 23, 2022, 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, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

EFPR Group, CPAs, PLLC

Williamsville, New York

March 23, 2022

NIAGARA FALLS RENEWAL AGENCY  
(A Blended Component Unit of the City of Niagara Falls, New York)  
Management's Discussion and Analysis  
December 31, 2021 and 2020

As management of the Niagara Falls Urban Renewal Agency (the Agency), we offer readers of the Agency's financial statements this narrative overview and analysis of the financial activities of the Agency for the year ended December 31, 2021.

The Organization

The Agency was created to revitalize, redevelop and eliminate slums and blighted areas of the established Urban Renewal District in the City of Niagara Falls (the City). The Agency is a blended component unit of the City. Accordingly, these financial statements report only the activities of the Agency.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Agency's financial statements. The Agency's financial statements comprise two components: (1) Agency-wide financial statements and (2) notes to financial statements.

Agency-wide financial statements.

The Agency-wide financial statements are designed to provide readers with a broad overview of the Agency's finances, in a manner similar to a private-sector business.

The statements of net position presents information on all of the Agency's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating.

The statements of activities present information showing how the Agency's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

The Agency-wide financial statements can be found on pages immediately following this section.

Notes to financial statements.

The notes provide additional information that is essential to a full understanding of the data provided in the Agency-wide financial statements. The notes to financial statements can be found following the Financial Statements section of this report.



NIAGARA FALLS RENEWAL AGENCY  
(A Blended Component Unit of the City of Niagara Falls, New York)  
Management's Discussion and Analysis, Continued

Financial Highlights

- The Agency's net position increased by \$23,151 and decreased by \$57,179 in 2021 and 2020, respectively, as a result of the individual year's operations.
- The assets of the Agency exceeded its liabilities by \$1,645,870 and \$1,622,719 at December 31, 2021 and 2020, respectively.
- The Agency, in 2021, continued moving forward on the South-End Downtown Gateway Area Revitalization Project.

Statements of Net Position

<u>Assets</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Cash and equivalents	\$ 550,166	569,385	557,662
Grant receivable	17,706	17,527	75,698
Other receivables	144,375	64,167	28,977
Property held for development	229,030	229,030	229,030
Capital assets	<u>870,200</u>	<u>870,200</u>	<u>870,200</u>
Total assets	<u>1,811,477</u>	<u>1,750,309</u>	<u>1,761,567</u>
<u>Liabilities</u>			
Current liabilities:			
Due to the City of Niagara Falls	20,537	30,645	29,511
Unearned revenue	<u>145,070</u>	<u>96,945</u>	<u>52,158</u>
Total current liabilities	<u>165,607</u>	<u>127,590</u>	<u>81,669</u>
<u>Net Position</u>			
Net investment in capital assets	870,200	870,200	870,200
Restricted	<u>775,670</u>	<u>752,519</u>	<u>809,698</u>
Total net position	<u>\$1,645,870</u>	<u>1,622,719</u>	<u>1,679,898</u>

NIAGARA FALLS RENEWAL AGENCY  
(A Blended Component Unit of the City of Niagara Falls, New York)  
Management's Discussion and Analysis, Continued

<u>Changes in Net Position</u>			
	<u>2021</u>	<u>2020</u>	<u>2019</u>
Revenue:			
Rental revenue	\$ 48,275	44,787	40,567
Grant revenue	179	2,387	75,698
Interest income	94	314	338
	<u>48,548</u>	<u>47,488</u>	<u>116,603</u>
Expenses:			
Community development eligible expenditures	-	-	17,386
Administrative fees	20,191	29,186	28,643
Professional fees	5,059	75,296	88,498
Office supplies	147	185	510
	<u>25,397</u>	<u>104,667</u>	<u>135,037</u>
Change in net position	23,151	(57,179)	(18,434)
Net position at beginning of year	<u>1,622,719</u>	<u>1,679,898</u>	<u>1,698,332</u>
Net position at end of year	<u>\$1,645,870</u>	<u>1,622,719</u>	<u>1,679,898</u>

Cash and equivalents

The Agency's cash and equivalents decreased by \$19,219, or 3.4%, in 2021 due to the year's operations

Capital assets and property held for development

The Agency's capital assets consisted of land and buildings at December 31, 2021 and 2020. There were no additions to the Agency's capital assets in 2021 and 2020.

Revenue

Revenue increased by \$1,060, or 2.2% in 2021 from 2020, mainly due to payments received on the 325 Highland lease.

NIAGARA FALLS RENEWAL AGENCY  
(A Blended Component Unit of the City of Niagara Falls, New York)  
Management's Discussion and Analysis, Continued

Expenses

In 2018, the Agency approved a grant for the South-End Downtown Gateway Area Revitalization project. The City will leverage \$8 million in private investment including acquisition, blight removal and soft costs, for renovation or new construction of commercial or mix-use properties to be developed individually or as a group in the City's South End. The project will receive from New York State an incentive valued at \$1,500,000. During 2021, a \$179 grant receivable was recorded for payments that were made to consultants working on the South-End Downtown Gateway Area Revitalization project. Funds will be reimbursed by Empire State Development. These were the only expenses incurred in 2021 that were related to this project.

Requests for Information

This financial report is designed to provide a general overview of the Agency's finances for all those with an interest in the Agency's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to: Office of Counsel, Niagara Falls Urban Renewal Agency, 1022 Main Street, P.O. Box 69, Niagara Falls, New York 14302.

**NIAGARA FALLS URBAN RENEWAL AGENCY**  
 (A Blended Component Unit of the City of Niagara Falls, New York)  
 Statements of Net Position  
 December 31, 2021 and 2020

<u>Assets</u>	<u>2021</u>	<u>2020</u>
Current assets:		
Cash and equivalents	\$ 550,166	569,385
Grant receivable	17,706	17,527
Other receivables	<u>144,375</u>	<u>64,167</u>
Total current assets	<u>712,247</u>	<u>651,079</u>
Non-current assets:		
Property held for development	229,030	229,030
Capital assets	<u>870,200</u>	<u>870,200</u>
Total non-current assets	<u>1,099,230</u>	<u>1,099,230</u>
Total assets	<u>1,811,477</u>	<u>1,750,309</u>
<u>Liabilities</u>		
Current liabilities:		
Due to the City of Niagara Falls	20,537	30,645
Unearned revenue	<u>145,070</u>	<u>96,945</u>
Total current liabilities	<u>165,607</u>	<u>127,590</u>
<u>Net Position</u>		
Net investment in capital assets	870,200	870,200
Restricted	<u>775,670</u>	<u>752,519</u>
Total net position	<u>\$1,645,870</u>	<u>1,622,719</u>

See accompanying notes to financial statements.

**NIAGARA FALLS URBAN RENEWAL AGENCY**  
 (A Blended Component Unit of the City of Niagara Falls, New York)  
 Statements of Activities  
 Years ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Expenses:		
General government:		
Administrative fees	\$ 20,191	29,186
Professional fees	5,059	75,296
Office supplies	<u>147</u>	<u>185</u>
Total expenses	<u>25,397</u>	<u>104,667</u>
Program revenues:		
Rental revenue	48,275	44,787
Grant revenue	<u>179</u>	<u>2,387</u>
Total program revenue	<u>48,454</u>	<u>47,174</u>
Net program revenue (expense)	23,057	(57,493)
General revenue - interest income	<u>94</u>	<u>314</u>
Change in net position	23,151	(57,179)
Net position at beginning of year	<u>1,622,719</u>	<u>1,679,898</u>
Net position at end of year	<u>\$1,645,870</u>	<u>1,622,719</u>

See accompanying notes to financial statements.

NIAGARA FALLS RENEWAL AGENCY  
(A Blended Component Unit of the City of Niagara Falls, New York)

Notes to Financial Statements

December 31, 2021 and 2020

(1) Organization

(a) Reporting Entity

The financial statements of the Niagara Falls Urban Renewal Agency (the Agency), are intended to present only that portion of the governmental activities that are attributable to the transactions of the Agency. The Agency is a blended component unit of the City of Niagara Falls, New York (the City). The financial statements do not purport to and do not present the financial position of the City, as of December 31, 2021 and 2020, or the changes in its financial position for the years then ended in conformity with accounting principles generally accepted in the United States of America.

(b) Nature of Operations

The governing body of the Agency, located in Niagara Falls, New York, is the Board of Directors. The scope of activities included within the accompanying financial statements are those transactions which comprise the Agency's operations, and are governed, or significantly influenced by the Board of Directors. The Board of Directors of the Agency is comprised of the Mayor, City Council, and four private sector members appointed by the City. The Agency was established in 1964 under General Municipal Law Section 593. The primary function of the Agency is to revitalize, redevelop and eliminate slums and blighted areas of the established Urban Renewal District in the City. The Agency is a blended component unit of the City by virtue of the majority board appointment and a financial benefit or burden relationship.

(2) Summary of Significant Accounting Policies

(a) Measurement Focus, Basis of Accounting and Financial Statement Presentation

The financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Revenue, expenses, gains, and losses are classified into three classes of net position - restricted, unrestricted and net investment in capital assets - which are displayed in the statements of net position.

(b) Cash and Equivalents

Cash and equivalents includes demand deposits, money markets, and certificates of deposit with original maturities of ninety days or less. The Agency maintains its cash and equivalents in bank accounts. Interest and dividend income from cash and equivalents is reported in general revenues in the statements of activities.

NIAGARA FALLS RENEWAL AGENCY  
(A Blended Component Unit of the City of Niagara Falls, New York)

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(c) Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(d) Receivables

Receivables are shown gross, with uncollectible amounts recognized under the direct write-off method. Generally accepted accounting principles require the establishment of an allowance for uncollectible receivables; however, no allowance for uncollectible receivables has been provided since it is believed that such allowance would not be material.

(e) Unearned Revenue

Unearned revenues arise when potential revenues do not meet both the measurable and available criteria for recognition in the current period. This occurs when resources are received by the Agency before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures. In subsequent periods, when both recognition criteria are met, or when the Agency has legal claim to resources, the liability for unearned revenues is removed and revenues are recognized.

(f) Capital Assets

Capital assets are stated at cost, or if donated, at fair value at the date of contribution. The Agency capitalizes items greater than \$1,000, which have useful lives greater than one year. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for routine repairs and maintenance are expensed as incurred. Depreciation, if applicable, is computed on a straight-line basis.

(g) Net Position

Equity is classified as net position and displayed in three components:

- Net Investment in Capital Assets - Consists of capital assets including restricted capital assets.
- Restricted Net Position - Consists of net position with constraints on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation. After amounts included in net investment capital assets, all of the Agency's remaining net position was considered restricted at December 31, 2021 and 2020 because the Agency is subject to the Community Development Block Grant requirements of the U.S. Department of Housing and Urban Development.
- Unrestricted Net Position - All other net position that do not meet the definition of "restricted" or "investment in capital assets." None of the Agency's net position is unrestricted.

NIAGARA FALLS RENEWAL AGENCY  
(A Blended Component Unit of the City of Niagara Falls, New York)

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(g) Net Position, Continued

Fund Balances

Fund balance is reported in categories that are intended to make the nature and extent of the constraints placed on a government's fund balances more transparent. There are five classifications of fund balances. The Agency only has fund balances classified in the restricted classification. This classification has the same characteristics as restricted net position.

When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the Agency considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board has provided otherwise in its commitment or assignment actions.

As a governmental fund, the Agency is required to report fund balance in accordance with accounting principles generally accepted in the United States of America. The only difference between the net position reported and the Agency's fund balance at December 31, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Total net position	\$ 1,645,870	1,622,719
Less capital assets	<u>870,200</u>	<u>870,200</u>
Restricted fund balance	\$ <u>775,670</u>	<u>752,519</u>

(h) Revenue

Revenues consist principally of rental revenue received from the leasing of certain real property of the Agency. Expense-driven grants are recognized as revenue when the qualifying expenses have been incurred and all other eligibility requirements have been met. The Agency defines general revenues as investment income.

(i) Subsequent Events

The Agency has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

(j) Risks and Uncertainties

The United States is presently in the midst of a national health emergency related to the COVID-19 virus. The overall consequences on a national, regional and local level are unknown, but have the potential to result in a significant economic impact. The impact of this situation on the Agency and its future results and financial position is not presently determinable.

(k) Income Taxes

The Agency is a public benefit corporation created under the New York State (the State) General Municipal law as an urban renewal agency and as such is exempt from federal and state income taxes.



NIAGARA FALLS RENEWAL AGENCY  
(A Blended Component Unit of the City of Niagara Falls, New York)

Notes to Financial Statements, Continued

(2) Summary of Significant Accounting Policies, Continued

(1) Accounting Pronouncements

The Governmental Accounting Standards Board has issued the following pronouncements which will be implemented in the years required. The effects of the implementation of these pronouncements are not known at this time.

Statement No. 87 - Leases. Effective for fiscal years beginning after June 15, 2021.

Statement No. 91 - Conduit Debt Obligations. Effective for fiscal years beginning after December 15, 2021.

Statement No. 92 - Omnibus 2020. Effective for fiscal years beginning after June 15, 2021.

Statement No. 93 - Replacement of Interbank Offered Rates. Effective for fiscal years beginning after June 15, 2021.

Statement No. 94 - Public-Private and Public-Public Partnerships and Availability Payment Arrangements. Effective for fiscal years beginning after June 15, 2022.

Statement No. 96 - Subscription-Based Information Technology Arrangements. Effective for fiscal years beginning after June 15, 2022.

Statement No. 97 - Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans. Effective for fiscal years beginning after June 15, 2021.

(3) Details on Transaction Classes/Accounts

Cash and Equivalents

Cash and equivalents include a demand deposit account and a money market account, which totaled \$550,166 and \$569,385 at December 31, 2021 and 2020, respectively. The Agency's investment policies are governed by State statutes. The Agency's monies must be deposited in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State. Permissible investments include demand accounts, money markets, certificates of deposit, obligations of the U.S. Treasury and U.S. Agencies, repurchase agreements and obligations of the State or its localities.

Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Obligations that may be pledged as collateral are obligations of the United States and its agencies and obligations of the State and municipalities and school districts and obligations issued by other than the State rated in one of the three highest rating categories by at least one nationally recognized statistical rating organizations.

The Agency's aggregate bank balances were fully collateralized at December 31, 2021 and 2020.

NIAGARA FALLS RENEWAL AGENCY  
(A Blended Component Unit of the City of Niagara Falls, New York)  
Notes to Financial Statements, Continued

(3) Details on Transaction Classes/Accounts, Continued

Investment and Deposit Policy

The Agency currently follows an investment and deposit policy as directed by State statutes, the overall objective of which is to adequately safeguard the principal amount of funds invested or deposited; conformance with federal, state and other legal requirements; and provide sufficient liquidity of invested funds in order to meet obligations as they become due. Oversight of investment activity is the responsibility of the Executive Director.

Interest Rate Risk

Interest rate risk is the risk that the fair value of investments will be affected by changing interest rates. The Agency's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

The Agency's policy is to minimize the risk of loss due to failure of an issuer or other counterparty to an investment to fulfill its obligations. The Agency's investment and deposit policy authorizes the reporting entity to purchase the following types of investments:

- Interest bearing demand accounts.
- Certificates of deposit.
- Obligations of the United States Treasury and United States agencies.
- Obligations of the State and its localities.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a failure of a depository financial institution, the reporting entity may not recover its deposits. In accordance with the Agency's investment and deposit policy, all deposits of the Agency including interest bearing demand accounts and certificates of deposit, in excess of the amount insured under the provisions of the FDIC shall be secured by a pledge of government securities. The Agency restricts the securities to the following eligible items:

- Obligations issued, fully insured or guaranteed as to the payment of principal and interest, by the United States Treasury and United States agencies.
- Obligations issued or fully insured or guaranteed by the State and its localities.
- Obligations issued by other than the State rated in one of the three highest rating categories by at least one nationally recognized statistical rating organizations.

NIAGARA FALLS RENEWAL AGENCY  
(A Blended Component Unit of the City of Niagara Falls, New York)  
Notes to Financial Statements, Continued

(4) Receivables

Receivables as of December 31, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
Grants receivable - South Gateway Project	\$ <u>17,706</u>	<u>17,527</u>
Other receivables - 325 Highland Avenue lease	\$ <u>144,375</u>	<u>64,167</u>

(5) Property Held for Development

A summary of property held for development is as follows:

	<u>Balance at</u> <u>1/1/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>12/31/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>1/1/2021</u>
Land	\$ <u>229,030</u>	<u>---</u>	<u>---</u>	<u>229,030</u>	<u>---</u>	<u>---</u>	<u>229,030</u>

(6) Capital Assets

A summary of capital assets is as follows:

	<u>Balance at</u> <u>1/1/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>12/31/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at</u> <u>1/1/2021</u>
Land	\$ <u>870,200</u>	<u>---</u>	<u>---</u>	<u>870,200</u>	<u>---</u>	<u>---</u>	<u>870,200</u>

(7) Unearned Revenue

Unearned revenue as reported by the Agency as of December 31, 2021 and 2020 amounted to \$145,070 and \$96,945, respectively. This unearned revenue relates to the 325 Highland Avenue Lease.

(8) Grants

Grants are made available through program income under the Community Development Block Grant program. During the years ended December 31, 2021 and 2020, the Agency was not awarded any new grants. Grant payments to the grantees are made after supporting documentation is obtained to reimburse payment of contractors. Grants are recorded as an expense by the Agency when disbursed to the grantees.

NIAGARA FALLS RENEWAL AGENCY  
(A Blended Component Unit of the City of Niagara Falls, New York)  
Notes to Financial Statements, Continued

(9) Related Parties

As of December 31, 2021 and 2020, the Agency owed \$20,537 and \$30,645, respectively, to the City for payroll expenses and various purchases that are paid through the City.

(10) Purchase Option

The Agency granted a purchase option of \$865,000 to a leased property owner that has not been exercised as of December 31, 2021 and 2020. The option may be exercised at any time the lease is in effect, including the initial three-year term and the additional three year term if the right to extend the lease is exercised. If the option is exercised, one-half of the rent paid shall be applied against the purchase price when the sale takes place.

**INDEPENDENT AUDITOR’S 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 Falls Urban Renewal Agency:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, the financial statements of the Niagara Falls Urban Renewal Agency (the Agency), a blended component unit of the City of Niagara Falls, New York, as of and for the year ended December 31, 2021, and the related notes to financial statements, which collectively comprise the Agency’s basic financial statements, and have issued our report thereon dated March 23, 2022.

**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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Agency’s financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or 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 the 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 may exist that have not been identified.

#### 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.

#### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

EFPR Group, CPAs, PLLC

Williamsville, New York  
March 23, 2022

**REPORT ON INVESTMENT COMPLIANCE WITH SECTION 201.3  
OF TITLE TWO OF THE OFFICIAL COMPILATION OF CODES,  
RULES AND REGULATIONS OF THE STATE OF NEW YORK**

The Board of Directors  
Niagara Falls Urban Renewal Agency:

We have examined the Niagara Falls Urban Renewal Agency's (the Agency), a blended component unit of the City of Niagara Falls, New York, compliance with the requirements of Section 201.3 of Title Two of the Official Compilation of Codes, Rules and Regulations of the State of New York (Section 201.3) during the year ended December 31, 2021. Management is responsible for the Agency's compliance with Section 201.3. Our responsibility is to express an opinion on the Agency's compliance with Section 201.3 based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and standards applicable to attestation engagements contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the examination to obtain reasonable assurance about the Agency's compliance with Section 201.3. An examination involves performing procedures to obtain evidence about the Agency's compliance with Section 201.3. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the Agency's compliance with Section 201.3, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the Agency complied in all material respects with Section 201.3 during the year ended December 31, 2021.

In accordance with Government Auditing Standards, we are required to report significant deficiencies in internal control, violations of provisions of laws, regulations, contracts, or grant agreements, and abuse that are material to the Agency's compliance with Section 201.3 and any fraud or illegal acts that are more than inconsequential that come to our attention during our examination. We are also required to obtain views of management on those matters. We performed our examination to express an opinion on the Agency's compliance with Section 201.3 and not for the purpose of expressing an opinion on internal control over compliance with Section 201.3 or other matters; accordingly, we express no such opinion. The results of our tests disclosed no matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of Agency management, the Board of Directors, the New York State Office of the State Comptroller, and the New York State Authority Budget Office and is not intended and should not be used by anyone other than those specified parties.

EFPR Group, CPAs, PLLC

Williamsville, New York  
March 23, 2022



**Niagara Falls Urban Renewal Agency**  
**Non-Discrimination Policy**

The Niagara Falls Urban Renewal Agency does not and shall not discriminate on the basis of age, race, creed, color, national origin, sex, sexual orientation, gender identity or expression, religion, disability, predisposing genetic characteristics, marital status, familial status, military status, or domestic violence victim status in any of its activities or operations. These activities include, but are not limited to, the selection and dismissal of its membership, employment decisions relating to staff, selection of contractors, vendors and volunteers, and provision of services related to the fulfillment of its Mission Statement.

Approved by URA Board on \*\*/\*\*/\*\*\*\*