

ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY

Resolution No. RVR-21-05-06

May 19, 2021

**ACCEPTING 2020 AUDIT**

**WHEREAS**, the St. Lawrence River Valley Redevelopment Agency has appointed the firm of Pinto, Mucenski, Hooper, VanHouse and Company, PC as its auditor for the years 2018 through 2020, and

**WHEREAS**, Pinto, Mucenski, Hooper, VanHouse and Company, PC has submitted the attached document entitled “St. Lawrence River Valley Redevelopment Agency Financial Statements, December 31, 2020 and 2019;”

**NOW, THEREFORE, BE IT RESOLVED** that the St. Lawrence River Valley Redevelopment Agency accepts and approves said report.

Move:	Strait			
Second:	Clark			
<b>VOTE</b>	<b>AYE</b>	<b>NAY</b>	<b>ABSTAIN</b>	<b>ABSENT</b>
McNeil	X			
Strait	X			
Murphy	X			
Clark	X			
Forsythe	X			

I HEREBY CERTIFY that I have compared this copy of this Resolution with the original record in this office, and that the same is a correct transcript thereof and of the whole of said original record.

/s/

Lori Sibley

05/19/21

**ST. LAWRENCE RIVER VALLEY  
REDEVELOPMENT AGENCY**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
YEARS ENDED DECEMBER 31, 2020 AND 2019**

**ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
St. Lawrence River Valley Redevelopment Agency

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the St. Lawrence River Valley Redevelopment Agency (SLRVRA) (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the SLRVRA as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 26, 2021, on our consideration of the SLRVRA'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 SLRVRA'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 SLRVRA's internal control over financial reporting and compliance.

  
P. Mucenski Hooper Van House & Co.  
Certified Public Accountants, P.C.

March 26, 2021

**ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY**

**STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2020 AND 2019**

	<u>12/31/2020</u>	<u>12/31/2019</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 4,746,872	\$ 4,563,943
Investments	1,799,735	1,784,046
Accounts Receivable	2,673	2,740
Accrued Interest Receivable	6,404	10,287
Mortgages and Notes Receivable (Net of Allowance)	515,829	477,930
Capital Lease Receivable	<u>19,802</u>	<u>19,253</u>
Total Current Assets	<u>7,091,315</u>	<u>6,858,199</u>
<b>Fixed Assets - Net</b>	<u>318,702</u>	<u>334,760</u>
<b>LONG-TERM ASSETS</b>		
Mortgages and Notes Receivable - Net of Current Portion	2,267,090	2,739,342
Capital Lease Receivable - Net of Current Portion	<u>345,886</u>	<u>360,832</u>
Total Long-Term Assets	<u>2,612,976</u>	<u>3,100,174</u>
<b>TOTAL ASSETS</b>	<u>\$ 10,022,993</u>	<u>\$ 10,293,133</u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 16,209	\$ -
<b>NET ASSETS</b>		
With Donor Restrictions	<u>10,006,784</u>	<u>10,293,133</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 10,022,993</u>	<u>\$ 10,293,133</u>

The accompanying notes are an integral part of these financial statements.

**ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY**

**STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Totals	Without Donor Restrictions	With Donor Restrictions	Totals
<b>SUPPORT AND REVENUE</b>						
Grant Income - Massena Electric	\$ -	\$ 11,855	\$ 11,855	\$ -	\$ -	\$ -
Rental Income	-	30,690	30,690	-	35,190	35,190
Interest Income - Banks	-	9,730	9,730	-	27,610	27,610
Interest Income - Loans/Leases	-	88,330	88,330	-	124,495	124,495
Application Fees	-	1,300	1,300	-	1,600	1,600
Late Payment Fees	-	200	200	-	337	337
Unrealized Gains	-	(9,119)	(9,119)	-	3,398	3,398
Realized Gains	-	25,996	25,996	-	24,686	24,686
Net Assets Released from Restrictions	445,331	(445,331)	-	639,462	(639,462)	-
<b>Total Support and Revenue</b>	<b>445,331</b>	<b>(286,349)</b>	<b>158,982</b>	<b>639,462</b>	<b>(422,146)</b>	<b>217,316</b>
<b>EXPENSES</b>						
Program Services						
Contractual	330,000	-	330,000	335,000	-	335,000
Community Development	91,517	-	91,517	216,983	-	216,983
Depreciation	16,058	-	16,058	23,646	-	23,646
Advertising & Marketing	15,930	-	15,930	20,348	-	20,348
Filing Fees	-	-	-	20	-	20
Insurance	7,929	-	7,929	7,728	-	7,728
Repairs and Maintenance	760	-	760	30,338	-	30,338
Underwriting Fees	540	-	540	510	-	510
Utilities	1,761	-	1,761	2,368	-	2,368
<b>Total Program Services</b>	<b>464,495</b>	<b>-</b>	<b>464,495</b>	<b>636,941</b>	<b>-</b>	<b>636,941</b>
Management and General						
Accounting	4,121	-	4,121	4,008	-	4,008
Legal Expenses	45	-	45	1,388	-	1,388
Office Expenses	142	-	142	27	-	27
D & O Insurance	528	-	528	598	-	598
<b>Total Management and General</b>	<b>4,836</b>	<b>-</b>	<b>4,836</b>	<b>6,021</b>	<b>-</b>	<b>6,021</b>
<b>Total Expenses</b>	<b>469,331</b>	<b>-</b>	<b>469,331</b>	<b>642,962</b>	<b>-</b>	<b>642,962</b>
<b>OTHER GAINS (LOSSES)</b>						
Gain on Sale of Asset	-	-	-	-	112,065	112,065
Loan Conversion	-	-	-	-	(161,490)	(161,490)
Change in Bad Debt Allowance	24,000	-	24,000	3,500	-	3,500
<b>Total Other Gains (Losses)</b>	<b>24,000</b>	<b>-</b>	<b>24,000</b>	<b>3,500</b>	<b>(49,425)</b>	<b>(45,925)</b>
<b>CHANGE IN NET ASSETS</b>	<b>-</b>	<b>(286,349)</b>	<b>(286,349)</b>	<b>-</b>	<b>(471,571)</b>	<b>(471,571)</b>
<b>Net Assets - Beginning of Year</b>	<b>-</b>	<b>10,293,133</b>	<b>10,293,133</b>	<b>-</b>	<b>10,764,704</b>	<b>10,764,704</b>
<b>Net Assets - End of Year</b>	<b>\$ -</b>	<b>\$ 10,006,784</b>	<b>\$ 10,006,784</b>	<b>\$ -</b>	<b>\$ 10,293,133</b>	<b>\$ 10,293,133</b>

The accompanying notes are an integral part of these financial statements.

**ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY**

**STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>12/31/2020</u>	<u>12/31/2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Interest	\$ 101,943	\$ 142,911
Cash Received from Building Rents	30,690	30,132
Cash Received from Others	13,422	1,872
Cash Paid to Others for Community Development Projects	(91,517)	(216,983)
Cash Paid for Goods and Services	<u>(345,550)</u>	<u>(403,383)</u>
Net Cash Provided (Used) By Operating Activities	<u>(291,012)</u>	<u>(445,451)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Investments	(2,798,811)	(3,064,919)
Proceeds from Sale of Investments	2,800,000	3,100,000
Payments Received on Capital Lease	14,398	69,916
Issuance of New Mortgages and Notes	(300,000)	(1,232,090)
Payments Received on Mortgages and Notes	<u>758,354</u>	<u>1,542,607</u>
Net Cash Provided (Used) By Investing Activities	<u>473,941</u>	<u>415,514</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	182,929	(29,937)
<b>CASH AND CASH EQUIVALENTS - Beginning of Year</b>	<u>4,563,943</u>	<u>4,593,880</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 4,746,872</u>	<u>\$ 4,563,943</u>

The accompanying notes are an integral part of these financial statements.



**ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 1 - HISTORY AND BASIS OF FINANCIAL STATEMENT PRESENTATION**

The St. Lawrence River Valley Redevelopment Agency (SLRVRA) is a joint action agency formed on June 2, 2010 to make use of certain New York Power Authority (NYPA) assets for the purposes of economic development in the St. Lawrence Valley and surrounding communities. Under the 2010 agreement, the New York Power Authority made available for economic development purposes a \$ 16,000,000 fund and 20 megawatts of electrical power generation from hydro-electric facilities situated on the St. Lawrence River. A parallel agreement, also dated June 2, 2010, between the SLRVRA and the St. Lawrence County Industrial Development Agency Local Development Corporation (SLCIDA-LDC) provided the mechanism for administering these assets. The SLRVRA has no employees.

As per the 2010 agreements, NYPA has provided the \$ 16,000,000 to the SLRVRA and the SLCIDA-LDC. On October 18, 2013, NYPA executed an agreement with the Massena Electric Department (as proposed in the 2010 agreements) that made the 20 megawatts of electricity allocated to the SLRVRA available for economic development projects in St. Lawrence County.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of St. Lawrence River Valley Redevelopment Agency (SLRVRA) have been prepared on the accrual basis. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

**Financial Statement Presentation**

The SLRVRA has adopted *FASB ASC 958-205*. Under this standard, the SLRVRA is required to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. In addition, the SLRVRA is required to present a statement of cash flows.

**Net Assets Without Donor Restrictions:** Net assets not subject to donor-imposed stipulations.

**Net Assets With Donor Restrictions:** Net assets whose use is limited by donor-imposed time and/or purposes restrictions.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. When restrictions expire, net assets with donor restrictions are classified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Contributions**

The SLRVRA has also adopted *FASB ASC 958-605*. In accordance with this standard, contributions received are recorded as increases in net assets without donor restrictions or net assets with donor restrictions depending on the existence and/or nature of any donor restrictions.

**Use of 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Cash and Cash Equivalents**

For the purposes of reporting cash flows, cash and cash equivalents include cash on hand, amounts due from banks, and savings instruments with a maturity of less than three months.

**Mortgages and Notes Receivable**

Mortgages and notes receivable are reported at their principal amounts outstanding, net of allowances for possible credit losses. Interest revenue on the mortgages and notes are a credit to interest income based on loan principal amounts outstanding at appropriate interest rates.

**Capital Assets**

Capital assets are reported at actual cost. Capitalization thresholds (the dollar value above which asset acquisitions are added to the capital asset accounts), depreciation methods, and estimated useful lives of capital assets reported in the financial statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$ 5,000	Straight Line (SL)	50 years
Building Improvements	2,500	SL	10 years

**Net Assets with Donor Restrictions**

The net assets with donor restrictions represent activity related to the \$ 16,000,000 grant from the New York Power Authority.

**ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Income Taxes**

The SLRVRA is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and is also duly established under Section 402 of the Not-For-Profit Corporation Law of the State of New York. For tax reporting purposes, the accounts of the SLRVRA are consolidated with those of the SLCIDA-LDC for reporting as a combined entity.

**Advertising and Marketing**

The SLRVRA expenses advertising costs as they are incurred. Advertising expenses for the years ended December 31, 2020 and 2019 were \$ 15,930 and \$ 20,348, respectively.

**Depreciation**

Depreciation is calculated on buildings and improvements on the straight-line method over the assets estimated useful life. Depreciation expense for the years ended December 31, 2020 and 2019 was \$ 16,058 and \$ 23,646, respectively.

**Allocation of Functional Expenses**

Program expenses are activities that directly fulfill the mission of the SLRVRA. Management and general expenses are supporting activities that are not directly identifiable with a program. Expenses of the SLRVRA consist of costs related to promoting economic development. The financial statements do not report any categories of expenses that are attributable to more than one program or supporting functions. Therefore, an allocation of functional expenses is not required.

**New Accounting Pronouncement**

On January 1, 2019, the SLRVRA adopted Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* and all subsequent amendments to the ASU (collectively known as "ASC 606"), which creates a single framework for recognizing revenue from contracts with customers that fall within its scope. All of the SLRVRA's revenues are outside the scope of ASC 606.

**NOTE 3 - MORTGAGES AND NOTES RECEIVABLE**

The SLRVRA carries its mortgages and notes receivable at cost recognizing interest income on the accrual basis as specified in the various agreements. The SLRVRA evaluates the collectability of its mortgages and notes receivable and the Board has established a loan loss reserve. The loan loss reserve at December 31, 2020 and 2019 was \$ 165,500 and \$ 189,500, respectively.

**ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 3 - MORTGAGES AND NOTES RECEIVABLE (Continued)**

Mortgages and notes receivable balances at December 31, 2020 and 2019 consisted of the following:

	Date	Due	Interest Rate	Original Amount	Balance 2020	Balance 2019
Ansen	03/04/16	03/01/26	2.625%	\$ 241,954	\$ 134,067	\$ 157,922
Atlantic Testing	01/26/17	02/01/24	2.875%	218,160	112,061	135,265
Blast Boss, Inc.	01/04/17	01/01/22	2.875%	78,050	17,882	33,901
Canexsys	09/15/17	01/01/24	3.125%	150,000	89,664	105,261
City of Ogdensburg	01/26/15	01/26/20	1.000%	23,532	-	803
Curran Renewable Energy	03/16/16	03/01/23	3.500%	1,356,278	640,983	957,951
First Class Aire	09/12/14	09/01/29	3.625%	51,500	-	37,387
High Peaks Winery	04/30/14	05/01/29	3.750%	36,500	23,284	25,395
Hozmerica, LLC	07/21/15	07/01/20	2.625%	17,500	-	2,127
Kingston Pharma, LLC - Equip	01/04/17	12/04/21	3.125%	95,553	35,279	57,786
Kingston Pharma, LLC	07/26/18	08/01/23	3.500%	96,000	60,024	77,257
North American Forest Group	11/21/18	11/01/33	3.625%	100,000	91,395	95,339
North Country Dairy, LLC	02/01/19	02/01/26	3.375%	800,000	606,019	714,953
Parker Maple Farm, Inc.	02/28/19	09/01/24	3.750%	50,000	-	46,964
Pepsi-Cola Ogdensburg Bottlers	11/21/19	12/01/24	3.375%	200,000	175,994	200,000
Pro Sport Trailer Mfg.	06/12/19	10/01/24	3.750%	45,000	43,981	43,644
Riverside Iron, LLC	06/27/14	07/01/24	3.750%	100,000	39,677	49,384
SLCIDA - CIB	12/04/14	11/01/21	1.000%	700,000	504,439	537,844
Structural Wood	12/20/11	12/01/21	2.625%	150,000	18,149	34,486
Structural Wood	04/09/20	04/01/30	2.625%	300,000	282,322	-
Swift Labs	09/22/16	10/01/23	2.750%	30,000	16,096	17,189
Thew Associates	11/05/18	11/01/23	3.675%	97,000	57,103	75,914
					<u>2,948,419</u>	<u>3,406,772</u>
				Less Allowance for Bad Debts	<u>(165,500)</u>	<u>(189,500)</u>
					<u>\$ 2,782,919</u>	<u>\$ 3,217,272</u>

Future maturities of the mortgages and notes receivable are as follows:

December 31, 2021	\$ 681,329
2022	600,700
2023	553,229
2024	310,710
2025	243,836
Thereafter	<u>558,615</u>
	<u>\$ 2,948,419</u>

**NOTE 4 - LOANS WRITTEN OFF**

There were no loans written off in 2020 or 2019. See Note 3 for loan loss reserve.

**ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 5 - CAPITAL LEASE (LEASE-PURCHASE AGREEMENTS)**

The SLRVRA leases buildings under lease-purchase agreements. Through these agreements, as the Lessor the SLRVRA provides financial assistance for the acquisition of SLRVRA-owned properties for companies as part of economic development projects. Balances at December 31, 2020 and 2019 are as follows:

<u>Capital Lease</u>	<u>Original Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance 2020</u>	<u>Balance 2019</u>
AmTech Yarns, Inc.	07/24/19	12/31/34	3.750%	\$ 450,000	\$ 365,688	\$ 380,085

Future minimum lease payments under the capital lease are as follows:

December 31, 2021	\$ 19,802
2022	20,541
2023	21,325
2024	22,139
2025	22,983
Thereafter	<u>258,898</u>
	<u>\$ 365,688</u>

**NOTE 6 - INVESTMENTS**

Investments as of December 31, 2020 and 2019 are carried at fair value and consist of the following:

	<u>12/31/2020</u>	<u>12/31/2019</u>
United States Treasury Bills	\$ 1,799,735	\$ 1,284,279
United States Treasury Notes	- 0 -	499,767
	<u>\$ 1,799,735</u>	<u>\$ 1,784,046</u>

Investment return on the above investments is recorded in the statement of activities as follows:

	<u>12/31/2020</u>	<u>12/31/2019</u>
Interest Income	\$ 3,438	\$ 9,741
Realized Gains (Losses)	25,996	24,686
Unrealized Gains (Losses)	<u>(9,119)</u>	<u>3,398</u>
	<u>\$ 20,315</u>	<u>\$ 37,825</u>

**ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 7 - FAIR VALUE MEASUREMENTS**

Fair value is an exit price, representing the amount that would be received to sell an asset or transfer a liability in an orderly transaction between market participants. The SLRVRA uses a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are described below:

**Level 1:** Quoted prices in active markets that are accessible at the measurement date for identical assets and liabilities. Level 1 includes fixed income and equity securities that are traded in an active exchange market, as well as U.S. Treasury securities.

**Level 2:** Inputs, other than quoted prices in active markets, that are observable either directly or indirectly and fair value is determined through the use of models or other valuation methodologies. This category generally includes certain U.S. Government and Agency obligations, fixed income securities, and alternative investments.

**Level 3:** Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the asset or liability. Level 3 assets and liabilities includes financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. This category generally includes private debt and equity instruments and alternative investments.

The following presents the SLRVRA’s investments at December 31, 2020 and 2019 that are measured at fair value on a recurring basis. Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurements.

	<b>Quoted Prices in Active Markets (Level 1)</b>	
	<u>12/31/2020</u>	<u>12/31/2019</u>
United States Treasury Bills	\$ 1,799,735	\$ 1,284,279
United States Treasury Notes	- 0 -	499,767
	<u>\$ 1,799,735</u>	<u>\$ 1,784,046</u>

The SLRVRA has no investments that are valued using either Level 2 or Level 3 inputs as of December 31, 2020 and 2019.

**ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 8 - COMMUNITY DEVELOPMENT ENVIRONMENTAL IMPROVEMENT PROJECTS**

The SLRVRA made grant awards during the years 2011 through 2020 as part of its Community Development Environmental Improvement Projects (CDEIP), as authorized by the June 2, 2010 contracts. The original grant award amounts and expenditures as of December 31, 2020 are as follows:

Date of Award	Grant Award	Expended			Total Expended	Balance of Grant Remaining
		Prior to 2019	2019	2020		
2011	\$ 522,553	\$ 522,553	\$ -	\$ -	\$ 522,553	\$ -
2012	556,694	556,694	-	-	556,694	-
2013	390,382	390,382	-	-	390,382	-
2014	415,152	401,625	13,527	-	415,152	-
2015	364,146	299,146	-	-	299,146	65,000
2016	493,640	229,660	70,880	-	300,540	193,100
2017	327,185	158,830	82,520	9,462	250,812	76,373
2018	100,000	14,235	37,112	35,000	86,347	13,653
2019	100,000	-	12,945	47,055	60,000	40,000
2020	100,000	-	-	-	-	100,000
<b>Total</b>	<b>\$ 3,369,752</b>	<b>\$ 2,573,125</b>	<b>\$ 216,984</b>	<b>\$ 91,517</b>	<b>\$ 2,881,626</b>	<b>\$ 488,126</b>

**NOTE 9 - FIXED ASSETS**

Fixed assets at December 31, 2020 and 2019 consisted of:

	2020	2019
Massena Lot 19 - Building and Improvements	\$ 432,740	\$ 432,740
Less: Accumulated Depreciation	<u>(114,038)</u>	<u>(97,980)</u>
	<u>\$ 318,702</u>	<u>\$ 334,760</u>

**NOTE 10 - SUBSEQUENT EVENTS**

Management has reviewed and evaluated all events and transactions from January 1, 2021 through March 26, 2021, the date the financial statements were available to be issued, for possible disclosure and, or, recognition in the financial statements. There were no events or transactions that existed which would provide additional pertinent information about conditions at the balance sheet date which are required to be recognized or disclosed in the accompanying financial statements.

**NOTE 11 - CONCENTRATION OF CREDIT RISK**

At December 31, 2020, the SLRVRA had bank balances totaling \$ 4,752,720 with a carrying value of \$ 4,746,872. A combination of federal depository insurance and securities pledged and held by the bank fully covered these bank balances.

ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020

NOTE 12 - LIQUIDITY AND AVAILABILITY

All financial assets of the SLRVRA are subject to the terms and restrictions set forth by the New York Power Authority as more fully described in Note 1. The financial assets available within one year of the balance sheet date subject to these restrictions are as follows:

	<u>12/31/2020</u>	<u>12/31/2019</u>
Cash and Cash Equivalents	\$ 4,746,872	\$ 4,563,943
Accounts Receivable	2,673	2,740
Accrued Interest Receivable	6,404	10,287
Mortgages and Notes Receivable (Net)	515,829	477,930
Capital Lease Receivable	19,802	19,253
Investments	<u>1,799,735</u>	<u>1,784,046</u>
Total	<u>\$ 7,091,315</u>	<u>\$ 6,858,199</u>

Management has established a bad debt allowance. Therefore, the mortgages and notes receivable above are expected to be received in full. The investments above consist of short-term U.S. treasury bills and notes with 2021 maturity dates with in one year.

NOTE 13 - RECOGNITION OF CERTAIN GRANT REVENUE AND EXPENDITURES

Occasionally, the SLRVRA (the “grantee”) applies for and receives grants from government agencies and other organizations. These grants are usually “reimbursement grants”, i.e., the monies from the grant are only paid to the grantee as reimbursements after the grantee has documented to the grantor that the grantee has achieved defined benchmarks, paid out required funds, and otherwise complied with all other required grant conditions. Projects in which such grants are involved often span several fiscal years and long delays in the reimbursement process are frequent. Consequently, in cases involving reimbursement grants, the SLRVRA does not accrue expected grant revenue or receivables until it has complied with the conditions of the grant agreement(s) and submitted the necessary documentation that will trigger the payment process. Until such documentation has been submitted, and accepted, the grantor still has substantial discretion to deny or reduce payment. Accordingly, at year end the SLRVRA does not accrue any expenses or payables associated with items to be paid out for future grant reimbursement until the SLRVRA is satisfied that it has complied with all grant reimbursement eligibility requirements. These items are usually paid out in the subsequent period and will be recorded as project expenses. As of December 31, 2020, there were no active grants of this nature.

The SLRVRA also funds a grant program of its own – the Community Development Environmental Improvement Program. Since these grants are also reimbursement grants, the SLRVRA adopts the same policy when acting as a grantor that is described above when it is a grantee, i.e., it doesn’t accrue the expense until the grantee has documented satisfactorily that it has complied with the grant conditions.



**ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2020**

**NOTE 14 - RELATED PARTY TRANSACTIONS**

The SLRVRA is related to the following entities:

- St. Lawrence County Industrial Development Agency Local Development Corporation (SLCIDA-LDC)  
- Program Administrative Agreements and Participation Loan Agreements.
- Greater Massena Economic Development Fund (GMEDF)  
- Participation Loan Agreements.

Administrative fees paid to the SLCIDA-LDC by SLRVRA totaled \$ 300,000 for both 2020 and 2019.



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**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***

To the Board of Directors  
St. Lawrence River Valley Redevelopment 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 the St. Lawrence River Valley Redevelopment Agency (SLRVRA) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 26, 2021.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the SLRVRA's internal control over financial reporting (internal control) to determine the 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 SLRVRA's internal control. Accordingly, we do not express an opinion on the effectiveness of the SLRVRA'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 may exist that have not been identified.

## Compliance and Other Matters

As part of obtaining reasonable assurance about whether the SLRVRA'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 determination of financial statement amounts. 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 organization'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 organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Pinto Mucenski Hooper VanHousen & Co.  
Certified Public Accountants, P.C.

March 26, 2021