

ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
CIVIC DEVELOPMENT CORPORATION

Resolution No. CDC-18-03-07

March 28, 2018

ACCEPTING FY2017 SLCIDA-CDC AUDIT

WHEREAS, on October 22, 2015 the St. Lawrence County Industrial Development Agency Civic Development Corporation (the “SLCIDA-CDC”) appointed Pinto, Mucenski, Hooper, VanHouse & Co. as its independent audit firm for the fiscal years 2015 through 2017, and

WHEREAS, the firm has prepared and provided the following report (attached):

St. Lawrence County Industrial Development Agency Civic Development Corporation
Financial Statements for the years ended December 31, 2017 and 2016

NOW, THEREFORE, BE IT RESOLVED that the St. Lawrence County Industrial Development Agency Civic Development Corporation accepts said report and authorizes that payment be made to Pinto, Mucenski, Hooper, VanHouse & Co. in accordance with the terms set forth in St. Lawrence County Industrial Development Agency Civic Development Corporation Resolution No. 15-10-13, and

BE IT FURTHER RESOLVED that the SLCIDA-CDC shall cause this report to be forwarded to:

- St. Lawrence County Treasurer
- St. Lawrence County Legislative Chairman
- New York State Department of Economic Development
- New York State Office of the Comptroller, Bureau of Municipal Research and Statistics
- New York State Authorities Budget Office

Move:	LaBaff			
Second:	Blevins			
VOTE	AYE	NAY	ABSTAIN	ABSENT
Blevins	X			
Hall				X
LaBaff	X			
McMahon	X			
Staples	X			
Hooper	X			
Morrill				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
March 28, 2018

**ST. LAWRENCE COUNTY
INDUSTRIAL DEVELOPMENT AGENCY -
CIVIC DEVELOPMENT CORPORATION**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEARS ENDED DECEMBER 31, 2017 AND 2016**

TABLE OF CONTENTS

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	1 - 2
Management's Discussion and Analysis	3 - 6
FINANCIAL STATEMENTS	
Statements of Net Position December 31, 2017 and 2016	7
Statements of Revenues, Expenses, and Changes in Net Position for the Years Ended December 31, 2017 and 2016	8
Statements of Cash Flows for the Years Ended December 31, 2017 and 2016	9
Notes to Financial Statements	10 - 14
SUPPLEMENTARY INFORMATION	15
Report on Internal Control and Compliance	16 - 17



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

301 Ford Street
P.O. Box 327
Ogdensburg, NY 13669
(315) 393-7502
Fax: (315) 393-9231
www.pmhvcpa.com

INDEPENDENT AUDITOR'S REPORT

Board of Directors
St. Lawrence County Industrial Development Agency -
Civic Development Corporation
Canton, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the St. Lawrence County Industrial Development Agency – Civic Development Corporation (SLCIDA-CDC), a State of New York corporate governmental agency, as of and for the years ended December 31, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the SLCIDA-CDC's basic financial statements as listed in the table of contents.

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 audits 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 SLCIDA-CDC as of December 31, 2017 and 2016, and the changes in its financial position, and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.


Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on Pages 3 through 6 be presented to supplement the basic financial statements. Such information, 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 auditing standards generally accepted in the United States of America, 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 7, 2018, on our consideration of the SLCIDA-CDC'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 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 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 SLCIDA-CDC's internal control over financial reporting and compliance.


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

March 7, 2018



ST. LAWRENCE COUNTY

INDUSTRIAL DEVELOPMENT AGENCY
CIVIC DEVELOPMENT CORPORATION

Ernest J. LaBaff Industrial Building ~ 19 Commerce Lane, Suite 1 ~ Canton, New York 13617
Phone: (315) 379-9806 ~ Fax: (315) 386-2573 ~ www.slcida.com

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the St. Lawrence County Industrial Development Agency Civic Development Corporation's (the "SLCIDA-CDC") financial performance provides an overview of the SLCIDA-CDC's financial activities for the fiscal year ended December 31, 2017. Please read it in conjunction with the SLCIDA-CDC's financial statements.

HIGHLIGHTS

Financial Highlights

- The unrestricted-Board Designated cash for the Civic Development Fund had a balance on December 31, 2017 of \$214,562. Unrestricted cash had a balance of \$641,075.

Corporation Highlights

- February 2017. The SLCIDA-CDC completed its annual review of the Disposition of Real Property Guidelines and authorized modifications to the FY2016 budget and adopted policies on Compensation, Reimbursement and Attendance, Whistleblower Policy and Procedures, Defense and Indemnification, and Code of Ethics policies.
- March 2017. The SLCIDA-CDC accepted its Annual Audit for 2016, and approved modifications to the FY2016 Budget.
- April 2017. The SLCIDA-CDC authorized Civic Bonds not to exceed \$36,000,000 for Clarkson University.
- May 2017. The SLCIDA-CDC authorized Post-Issuance Tax Compliance Procedures for Conduit Tax-Exempt Bonds.
- September 2017. The SLCIDA-CDC accepted a 2018 Tentative Budget. The SLCIDA-CDC also authorized amendments to the Procurement Policy and reviewed Conflict of Interest Policy, Electronic Technology Policy and Monetary Transfer Policy.
- October 2017. The SLCIDA-CDC adopted a 2018 Budget.
- December 2017. The SLCIDA-CDC completed annual reviews of its Investment Policy and modified the Corporation's Mission statement to allow greater flexibility for participation in economic development activities.

USING THIS ANNUAL REPORT

This annual report consists of three parts: Management's Discussion and Analysis, Financial Statements, and Required Supplementary Information. The Financial Statements also include notes that explain in more detail some of the information in the financial statements.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the SLCIDA-CDC's basic financial statements. The financial statements of the SLCIDA-CDC report information using accounting methods similar to those used by private-sector companies. These statements provide both long-term and short-term information about the SLCIDA-CDC's overall financial status. The SLCIDA-CDC's basic financial statements include a Statement of Net Position; a Statement of Revenues, Expenses and Changes in Net Position; and a Statement of Cash Flows. The financial statements also include notes that are considered essential to a full understanding of the data that is being presented on the statements.

The *Statements of Net Position* presents information on all of the SLCIDA-CDC's assets, deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the assets plus deferred outflows of resources less liabilities and deferred inflows of resources 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 SLCIDA-CDC is improving or deteriorating.

The *Statements of Revenues, Expenses and Changes in Net Position* account for all of the current year's revenues and expenses. This statement measures the success of the SLCIDA-CDC's operations over the past year and can be used to determine whether the SLCIDA-CDC has successfully recovered all of its costs. It provides the user with basic financial information about the profitability and credit worthiness.

The *Statement of Cash Flows* provides information about the SLCIDA-CDC's cash receipts and cash payments during the fiscal year. The statement reports cash receipts, cash payments and net changes in cash resulting from operating; noncapital financing; capital and related financing; and investing activities. The purpose of this statement is to tell the user where the SLCIDA-CDC's cash came from, what the cash was used for, and by how much the cash balance changed over the course of the fiscal year.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

FINANCIAL ANALYSIS

Net Position may serve over time as a useful indicator of a government agency's financial position. In the case of the SLCIDA-CDC, assets exceeded liabilities by \$ 921,534 as of December 31, 2017. The SLCIDA-CDC's financial position is the product of several financial transactions including the net results of activities, the issuance of loans, the collection of payments from such loans, and fees collected from the issuance of bonds.

The following tables present a summary of the SLCIDA-CDC's derivation of net assets for the fiscal year ended December 31, 2017.

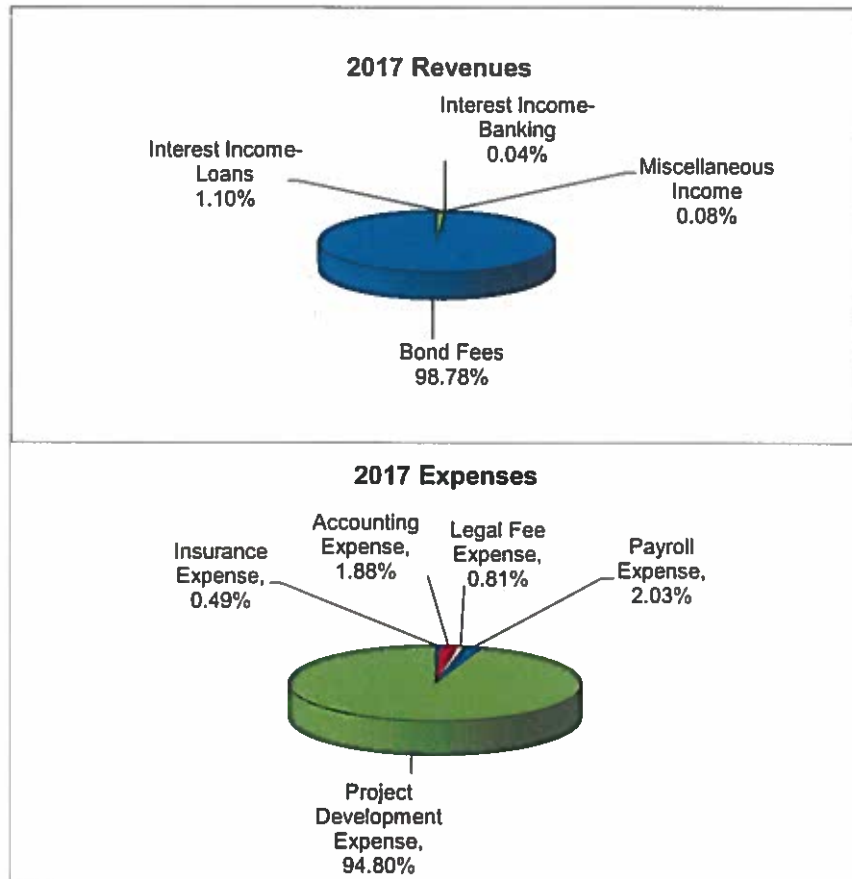
Table 1

	<u>2017</u>	<u>2016</u>
Total Current Assets	\$ 857,340	\$ 729,760
Total Fixed Assets (Net)	-	-
Total Other Assets	<u>64,194</u>	<u>93,389</u>
Total Assets	<u><u>\$ 921,534</u></u>	<u><u>\$ 823,149</u></u>
Total Liabilities	\$ -	\$ -
Total Net Position	<u>921,534</u>	<u>823,149</u>
Total Liabilities & Net Position	<u><u>\$ 921,534</u></u>	<u><u>\$ 823,149</u></u>

Changes in the SLCIDA-CDC's Net Position can be determined by reviewing the following condensed Statement of Revenues, Expenses, and Changes in Net Position at the end of the year.

Table 2

	<u>2017</u>	<u>2016</u>
Total Industrial Development		
Project Revenue	\$ 253,050	\$ 728,550
Total Other Revenue	<u>3,113</u>	<u>3,462</u>
Total Revenue	<u>256,163</u>	<u>732,012</u>
Total Industrial Development		
Project Expenses	149,566	364,225
Total Administrative Expenses	<u>8,211</u>	<u>4,061</u>
Total Expenses	<u>157,777</u>	<u>368,286</u>
Change in Net Position	98,386	363,725
Net Position - Beginning of Year	<u>823,148</u>	<u>459,423</u>
Net Position - End of Year	<u><u>\$ 921,534</u></u>	<u><u>\$ 823,148</u></u>



CASH AND INVESTMENT POLICY

The St. Lawrence County Industrial Development Agency Civic Development Corporation finds it necessary to place funds in various deposit accounts or certificates of deposit. Article 18A, Section 858(14) of the State General Municipal Law authorizes the SLCIDA-CDC to designate depositories. In accordance with this Article, five (5) banks are designated as depositories for SLCIDA-CDC funds. Rates are competitively procured for each deposit. Once the funds exceed the FDIC insurance coverage and then funds are divided with no more than 60% of its total investments in any one institution.

CONTACTING THE SLCIDA-CDC'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers and creditors with a general overview of the SLCIDA-CDC's finances and to demonstrate the SLCIDA-CDC's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the SLCIDA-CDC's Chief Executive Officer at 19 Commerce Lane, Suite 1, Canton, New York 13617.

**ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY -
CIVIC DEVELOPMENT CORPORATION**

**STATEMENTS OF NET POSITION
DECEMBER 31, 2017 AND 2016**

	12/31/2017	12/31/2016
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents - Unrestricted	\$ 641,075	\$ 564,683
Cash and Cash Equivalents - Unrestricted - Board Designated	214,562	163,147
Notes Receivable	8,523	29,145
Accrued Interest Receivable	1,703	1,929
Total Current Assets	865,863	758,904
LONG-TERM ASSETS		
Notes Receivable - Net of Current Portion	55,671	64,244
TOTAL ASSETS	\$ 921,534	\$ 823,148
 LIABILITIES		
TOTAL LIABILITIES	\$ -	\$ -
 NET POSITION		
Unrestricted	706,972	660,001
Unrestricted - Board Designated	214,562	163,147
TOTAL NET POSITION	\$ 921,534	\$ 823,148

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

**ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY -
CIVIC DEVELOPMENT CORPORATION**

**STATEMENTS OF REVENUES, EXPENSES,
AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	12/31/2017	12/31/2016
REVENUES		
Bond Fees	\$ 253,050	\$ 728,550
Interest Income - Loans	2,819	3,157
Interest Income - Banks	94	80
Miscellaneous Income	200	225
Total Revenues	256,163	732,012
 EXPENSES		
Program Services		
Project Development	149,566	364,225
Management and General		
Contracted Services	3,201	-
Professional Fees	4,242	3,469
Insurance	768	571
Miscellaneous	-	22
Total Management and General	8,211	4,062
Total Expenses	157,777	368,287
 Excess (Deficiency) of Revenues Over Expenses	 98,386	 363,725
Net Position - Beginning of Year	823,148	459,423
 Net Position - End of Year	 \$ 921,534	 \$ 823,148

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

**ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY -
CIVIC DEVELOPMENT CORPORATION**

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	12/31/2017	12/31/2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Interest	\$ 3,139	\$ 3,485
Cash Received from Others for Services	253,250	728,775
Cash Paid to Suppliers for Goods and Services	(157,777)	(368,287)
Net Cash Provided By Operating Activities	98,612	363,973
INVESTING ACTIVITIES		
Issuance of New Notes	(80,000)	-
Payments Received on Notes	109,195	35,291
Net Cash Provided By Investing Activities	29,195	35,291
NET INCREASE IN CASH AND CASH EQUIVALENTS	127,807	399,264
CASH AND CASH EQUIVALENTS - Beginning of Year	727,830	328,566
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 855,637	\$ 727,830
RECONCILIATION OF CHANGE IN NET POSITION TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Change in Net Position	\$ 98,386	\$ 363,725
ADJUSTMENTS TO RECONCILE CHANGE IN NET POSITION TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Changes in Operating Assets and Liabilities		
Accrued Interest Receivable	226	248
Net Cash Provided By Operating Activities	\$ 98,612	\$ 363,973

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

**ST. LAWRENCE COUNTY
INDUSTRIAL DEVELOPMENT AGENCY -
CIVIC DEVELOPMENT CORPORATION**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of St. Lawrence County Industrial Development Agency - Civic Development Corporation (SLCIDA-CDC) have been prepared in conformity with generally accepted accounting principles (GAAP). Those principles are established by the Governmental Accounting Standards Board (GASB) for state and local governments. Certain significant accounting principles and policies utilized by the SLCIDA-CDC are described below.

Reporting Entity

The reporting entity of the SLCIDA-CDC is based on criteria set forth by GASB Statement 14, "The Financial Reporting Entity." The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The accompanying financial statements present the activities of the SLCIDA-CDC.

Nature of Organization

The SLCIDA-CDC was established on April 13, 2010 pursuant to Section 402 of the Not-for-Profit Corporation Law of the State of New York as a local development corporation under Section 1411 of the Law, for the purpose of, among other things, relieving and reducing unemployment, promoting and providing for additional and maximum employment, bettering and maintaining job opportunities, and lessening the burdens of government and acting in the public interest. The establishment of the SLCIDA-CDC was authorized by St. Lawrence County on April 5, 2010 to support these purposes, and as such the SLCIDA-CDC has the powers to issue bonds, notes, and other obligations for the benefit of not-for-profit entities considered essential to the continued development, construction, improvement, and operation of projects for these entities. The SLCIDA-CDC may also support the project development activities of the St. Lawrence County Industrial Development Agency (SLCIDA) and the St. Lawrence County Industrial Development Agency-Local Development Corporation (SLCIDA-LDC).

Also, the SLCIDA-CDC is considered a "public authority" of New York State and must submit an annual report to the New York State Authorities Budget Office. The SLCIDA-CDC has one sole member (St. Lawrence County) and a Board of Directors appointed by the County. Those individuals appointed by the County to serve as members of the St. Lawrence County Industrial Development Agency shall automatically become Directors of the SLCIDA-CDC. In addition, the bylaws of the SLCIDA-CDC can be amended by the County, thus establishing its governance and control of the SLCIDA-CDC.

**ST. LAWRENCE COUNTY
INDUSTRIAL DEVELOPMENT AGENCY –
CIVIC DEVELOPMENT CORPORATION**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Nature of Organization (Continued)

Based on the preceding, a CHAR 410 with Exhibit E requesting exemption under Article 7-A and EPTL as an organization controlled by a government agency has been filed with New York State. The SLCIDA-CDC is exempt from federal, state and local income taxes and exempt from federal reporting requirements under Internal Revenue Procedure 95-48, 1995-2 C.B. 418 as a government unit or affiliate of a governmental unit described in such procedure.

Basis of Accounting

The SLCIDA-CDC's accounting records are maintained on the full accrual basis in conformity with accounting principles generally accepted in the United States of America as applicable to governmental entities. The SLCIDA-CDC accounts for its activities similar to those found in private business enterprises.

Revenues and Expenses

Operating revenues and expenses consist of those revenues and expenses that result from the ongoing principal operations of the SLCIDA-CDC. Operating revenues consist primarily of charges for services.

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.

Allowance for Doubtful Accounts

The SLCIDA-CDC has elected not to establish an allowance for doubtful accounts since all receivables are deemed collectible. An allowance will be established when an event occurs in the future that would necessitate a reserve.

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.

**ST. LAWRENCE COUNTY
INDUSTRIAL DEVELOPMENT AGENCY –
CIVIC DEVELOPMENT CORPORATION**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The SLCIDA-CDC was determined to be exempt from federal reporting requirements under Internal Revenue Procedure 95-48, 1995-2 C.B. 418 as a government unit or affiliate of a governmental unit described in such procedure. Also, the SLCIDA-CDC is exempt from state income tax reporting requirements under Article 7-A and EPTL.

Subsequent Events

Management has reviewed and evaluated all events and transactions from January 1, 2018 through March 7, 2018, the date the financial statements were available to be issued, for possible disclosure and 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 required to be recognized or disclosed in the accompanying financial statements.

NOTE 2 - CASH AND INVESTMENTS

The SLCIDA-CDC's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. New York State law governs the SLCIDA-CDC's investment policies. Resources must be deposited in FDIC insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Investments, if any, are stated at fair value.

NOTE 3 - NET POSITION CLASSIFICATION

Invested in Capital Assets, Net of Related Debt - Consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets. The SLCIDA-CDC has no investment in capital assets, net of related debt at both December 31, 2017 and 2016.

Unrestricted - Board Designated Net Position – Consists of funds designated by the SLCIDA-CDC's governing board to be used for a particular purpose. Such designations may be changed by board action. The SLCIDA-CDC had \$ 214,562 and \$ 163,147 in board designated net position at December 31, 2017 and 2016, respectively.

Unrestricted Net Position - Reports all other net positions that do not meet the definition of the above two classifications and are deemed to be available for general use by the SLCIDA-CDC. The SLCIDA-CDC had \$ 706,972 and \$ 660,001 in unrestricted net position as of December 31, 2017 and 2016, respectively.

**ST. LAWRENCE COUNTY
INDUSTRIAL DEVELOPMENT AGENCY –
CIVIC DEVELOPMENT CORPORATION**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 4 - NOTES RECEIVABLE

The SLCIDA-CDC carries its notes receivable at cost recognizing interest income on the accrual basis as specified in the various note agreements.

On a periodic basis, the SLCIDA-CDC evaluates its notes receivable and will establish write offs as economic conditions warrant. The Board will determine which notes are written off based on un-collectability. All notes are considered collectible until all legal remedies have been exhausted.

Ogdensburg Bridge & Port Authority: On April 25, 2012, the SLCIDA-CDC passed Resolution #CDC-12-04-10 and authorized a loan of \$ 87,000 to the Ogdensburg Bridge and Port Authority (OBPA) to assist in improvements to the Port of Ogdensburg. At a May 7, 2012 meeting, the Board of Directors of the OBPA passed a resolution agreeing to the loan offer of \$ 87,000. The loan was subsequently consummated on June 20, 2012 with an \$ 87,000 disbursement to the OBPA. The balances at December 31, 2017 and 2016 were \$ 0 and \$ 12,371, respectively.

St. Lawrence County Fire Training Facility: On June 4, 2013, the SLCIDA-CDC passed Resolution #CDC-13-06-06 and agreed to lend up to \$ 290,000 to the St. Lawrence County Fire Training Facility, Inc. (FTF) for the construction of the FTF's West Potsdam training facility. Of this amount, \$ 200,000 was for bridge financing, which was to be repaid from the proceeds of two \$ 100,000 grants for which the FTF had commitments from New York State. Both grants were received by the FTF in 2014 and paid to the SLCIDA-CDC. After these payments were received, the balance (including capitalized interest) of the loan was \$ 92,333 and is being amortized over 10 years. The balances at December 31, 2017 and 2016 were \$ 64,194 and \$ 72,527, respectively.

On November 25, 2014, the FTF executed documents assigning the lease payments it receives from St. Lawrence County for the facility to the SLCIDA-CDC. These payments, which come directly from the County to the SLCIDA-CDC, began on January 1, 2015 and will continue as one annual payment due the first of each year.

St. Lawrence County Chamber of Commerce: On September 30, 2014, the SLCIDA-CDC passed Resolution #CDC-14-09-04 and authorized a short-term line of credit with the St. Lawrence County Chamber of Commerce to assist the Chamber cure cash flow shortages through the end of 2014. As of December 31, 2014, the Chamber had drawn down \$ 28,939 of the \$ 40,000 maximum permitted by Resolution# CDC-14-09-04. On December 31, 2014, the line of credit converted to an interest-only loan until October 1, 2015, when the entire \$ 29,130 principal was due, including capitalized interest through December 31, 2014. On October 1, 2015, this note was paid in full and a new loan was issued by Resolution #CDC-15-08-11, for \$ 22,000, at 4.5% interest for a 24-month term. The balance at December 31, 2017 and 2016 was \$ 0 and \$ 8,490, respectively.

**ST. LAWRENCE COUNTY
INDUSTRIAL DEVELOPMENT AGENCY –
CIVIC DEVELOPMENT CORPORATION**

**NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017**

NOTE 4 - NOTES RECEIVABLE (Continued)

The outstanding balance for all notes at December 31, 2017 and 2016 was \$ 64,194 and \$ 93,389, respectively. Also, as of December 31, 2017, all loans were current.

Note Receivable	Date of Note	Interest Rate	Original Amount	Balance	
				2017	2016
Ogdensburg Bridge & Port Authority	06/20/12	2.625%	\$ 87,000	\$ -	\$ 12,371
SLC Fire Training Facility	06/17/14	2.650%	290,000	64,194	72,528
SLC Chamber of Commerce	10/01/15	4.500%	22,000	-	8,490
				<u>\$ 64,194</u>	<u>\$ 93,389</u>

Future maturities of the notes receivable are as follows:

December 31, 2018	\$ 8,523
2019	8,736
2020	8,970
2021	9,210
2022	9,458
Thereafter	<u>19,297</u>
	<u>\$ 64,194</u>

NOTE 5 - RELATED PARTY TRANSACTIONS

The SLCIDA-CDC is related to the St. Lawrence County Industrial Development Agency (SLCIDA) through common board membership and officers.

During 2017 and 2016, the SLCIDA-CDC paid SLCIDA \$ 126,425 and \$ 364,225, respectively. This amount represents one-half of the bond fees received by SLCIDA-CDC in 2017 and 2016. There are no restrictions on the payment and the payment was made in accordance with enabling legislation and in accordance with resolution CDC-10-10-17, passed on October 10, 2010. This resolution adopted a policy which authorized the transfer to the SLCIDA of 50% of any and all Project/Bond Fees the SLCIDA-CDC receives.

The SLCIDA-CDC paid SLCIDA \$ 23,141 in 2017 for building project improvements undertaken in the Canton Industrial Building.

The SLCIDA-CDC is related to the St. Lawrence County Industrial Development Agency-Local Development Corporation (SLCIDA-LDC) through common board membership and officers. During 2017, The SLCIDA-CDC paid SLCIDA-LDC \$ 3,201 for management fees.

SUPPLEMENTARY INFORMATION



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

301 Ford Street
P.O. Box 327
Ogdensburg, NY 13669
(315) 393-7502
Fax: (315) 393-9231
www.pmhvcpa.com

**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***

Board of Directors
St. Lawrence County Industrial Development Agency –
Civic Development Corporation
Canton, New York

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 business-type activities of the St. Lawrence County Industrial Development Agency – Civic Development Corporation (SLCIDA-CDC), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the SLCIDA-CDC's basic financial statements, and have issued our report thereon dated March 7, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the SLCIDA-CDC'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the SLCIDA-CDC's internal control. Accordingly, we do not express an opinion on the effectiveness of the SLCIDA-CDC'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.

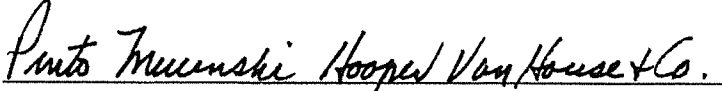
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not 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 SLCIDA-CDC'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 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.


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

March 7, 2018