ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY
Resolution No. IDA-20-06-07
June 29, 2020

ACCEPTING FY2019 SLCIDA AUDIT

WHEREAS, on September 28, 2018 the St. Lawrence County Industrial Development Agency appointed Pinto, Mucenski, Hooper, VanHouse & Co. as its independent audit firm for the fiscal years 2018 through 2020, and

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

St. Lawrence County Industrial Development Agency
Financial Statements and Supplementary Information
For the Years Ended December 31, 2019 and 2018

NOW, THEREFORE, BE IT RESOLVED that the St. Lawrence County Industrial Development Agency accepts said report and directs its staff to remit payment to Pinto, Mucenski, Hooper, VanHouse & Co. in accordance with the terms set forth in St. Lawrence County Industrial Development Agency Resolution No. 18-09-24, and

BE IT FURTHER RESOLVED that the SLCIDA 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:	McMahon			
VOTE	**AYE**	**NAY**	**ABSTAIN**	**ABSENT**
Blevins	X			
Hall	X			
LaBaff	X			
McMahon	X			
Morrill	X			
Reagen	X			
Staples	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
June 29, 2020

ST. LAWRENCE COUNTY
INDUSTRIAL DEVELOPMENT AGENCY

FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION
YEARS ENDED DECEMBER 31, 2019 AND 2018

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Pinto·Mucenski·Hooper
Van House & Co.
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
St. Lawrence County Industrial Development Agency

Report on the Financial Statements

We have audited the accompanying financial statements of the St. Lawrence County Industrial Development Agency (Agency), a component unit of St. Lawrence County, New York, as of and for the years ended December 31, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Agency'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 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 St. Lawrence County Industrial Development Agency, as of December 31, 2019 and 2018, 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 4 through 7, the Schedule of Employer's Proportionate Share of the Net Pension Liability and Schedule of Employer's Contributions on Page 33, and Schedule of Changes in Employer's Total OPEB Liability and Related Ratios on Page 34 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 Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Agency's basic financial statements. The Schedules of Revenues and Expenses by Project on Page 36 and the Schedules of Administrative Operating Expenses on Page 37 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Schedules of Revenues and Expenses by Project and the Schedules of Administrative Operating Expenses are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedules of Revenues and Expenses by Project and the Schedules of Administrative Operating Expenses are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated March 16, 2020, 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.

Pinto Mucenski Hooper Van House & Co.

Certified Public Accountants, P.C.
March 16, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the St. Lawrence County Industrial Development Agency's financial performance provides an overview of the Agency's financial activities for the fiscal year ended December 31, 2019. Please read it in conjunction with the Agency's financial statements.

HIGHLIGHTS

Financial Highlights

- Total Assets and Deferred Outflows decreased by $ 394,815 primarily due to a decrease in Deferred Outflow in Pension according to the annual actuarial study and a decrease in capital assets due to depreciation expenses.

- Total Liabilities and Deferred Inflows of Resources decreased by $ 243,610 primarily due to a decrease in current liabilities and long term debt.

Agency Highlights

- January 2019. The Agency accepted an application, describing assistance and accepting and adopting a SEQRA from Criscitello & Criscitello, dba From the Heart Cabinetry.

- February 2019. The Agency amended an agreement with the Development Authority of the North Country for technical assistance with the Jones & Laughlin Phase II rehabilitation project. The Agency also authorized financial assistance to Criscitello & Criscitello, dba From The Heart Cabinetry.

- March 2019. The Agency conducted its annual reviews of the Compensation, Reimbursement, and Attendance Policy. The Agency also conducted annual reviews of the Report of Property, Whistleblower Policy, and Defense and Indemnification Policy and reviewed its Code of Ethics. The Agency authorized modifications to the FY2018 Budget and accepted the FY2018 Audit.

  The Agency authorized an initial resolution for Community Preservation Partners for the issuance of up to $18 million Multi-Family Housing Revenue Bonds. The Agency also accepted an application, scheduling a public hearing for the Corning, Inc. 2019 expansion project. The Agency approved a resolution supporting the continued operation of Gouverneur, Ogdensburg and Riverview Correctional Facility.

- May 2019. The Agency approved a project authorizing resolution for a 2019 expansion project with Corning, Inc. The agency authorized an agreement with the New York Power Authority to enhance the SLCIDA's website and related marketing activities and approved a project authorizing resolution for Pro Sport Trailer Manufacturing, LLC.

- June 2019. The Agency recognized the service of Christopher L. Westbrook and the Clifton-Fine Economic Development Corporation. The Agency also adopted a Standard Workday Reporting Resolution.

- August 2019**.** The Agency authorized a debt obligation resolution for Lawrence Avenue Community Partners, L.P., formerly known as Community Preservation Partners.

- September 2019. The Agency accepted its tentative FY2020 budget.

- October 2019. The Agency adopted its FY2020 budget, reviewed its Conflicts of Interest Policy, Procurement Policy, and Sexual Harassment Policy. The Agency amended an agreement with the City of Ogdensburg regarding the former Newell manufacturing building and named the multi-purpose conference room in the Ernest J. LaBaff building the "Thomas A. Plastino Meeting Room."

- December 2019. The Agency conducted annual reviews of the Investment Policy and Authorization of Depositories and approved a project authorizing resolution for Pepsi-Cola Ogdensburg Bottlers, Inc. The Agency approved a consent to assignment resolution for the acquisition of St. Lawrence Gas Co. by Liberty Utilities.

USING THIS ANNUAL REPORT

This annual report consists of four parts: Management's Discussion and Analysis, Financial Statements, Required Supplementary Information, and other 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 Agency's basic financial statements. The financial statements of the Agency 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 Agency's overall financial status. The Agency'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 *Statement of Net Position* presents information on all of the Agency'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 Agency is improving or deteriorating.

The S*tatement 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 Agency's operations over the past year and can be used to determine whether the Agency has successfully recovered all of its costs. It provides the user with basic financial information about profitability and credit worthiness.

The *Statement of Cash Flows* provides information about the Agency'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; capital and related financing; and investing activities. The purpose of this statement is to tell the user where the Agency'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.

Required Supplementary Information. This information is required in connection with the Agency's pension plan held with New York State and Local Employees' Retirement System and Other Post-Employment Benefits. The purpose of Required Supplementary Information presented on pages 33 and 34 is for additional analysis only.

Other Supplementary Information. In addition to the basic financial statements and accompanying notes, this report presents Supplementary Schedules, which are presented for purposes of additional analysis only.

FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government agency's financial position. In the case of the Agency, total net position is $ 4,988,404 as of December 31, 2019.

The Agency's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following tables present a summary of the Agency's derivation of net position at December 31, 2019 and 2018.

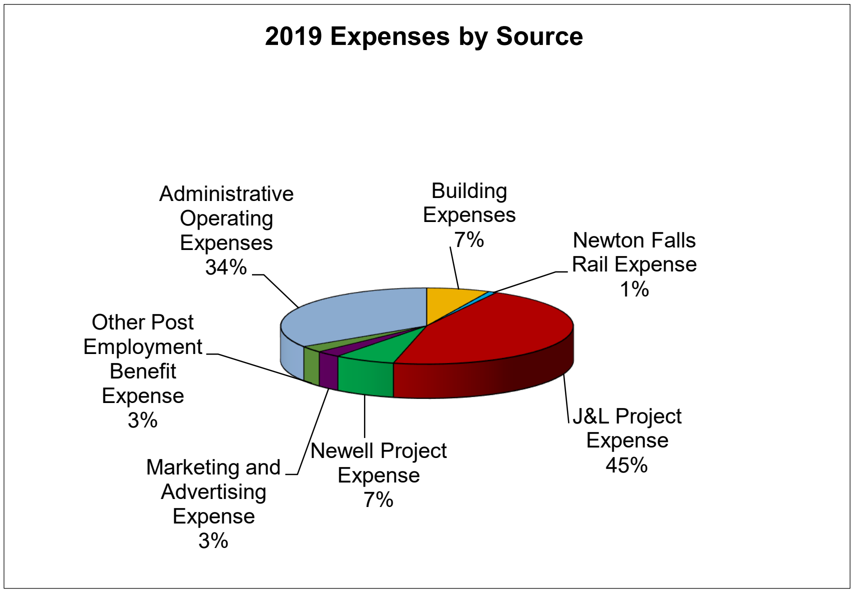
Table 1

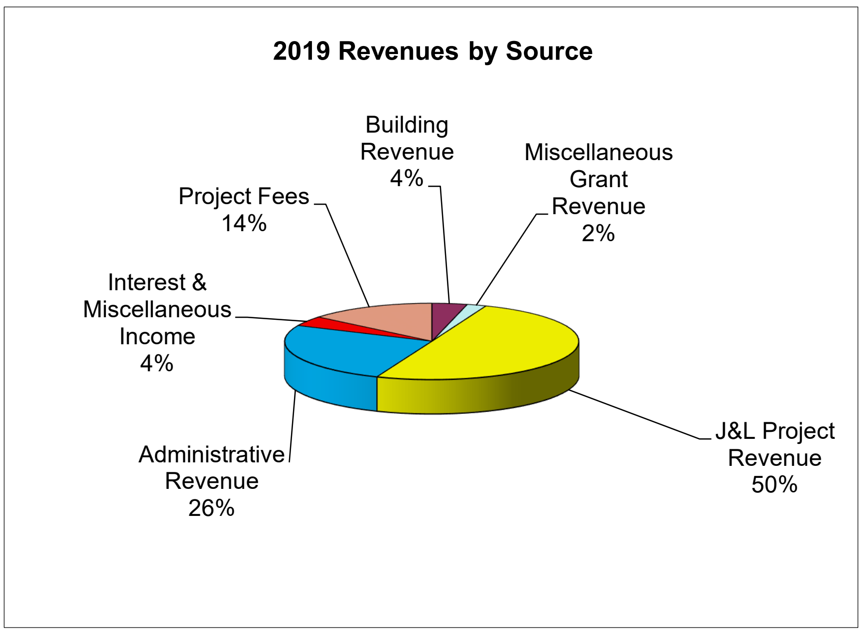
	2019	2018
Current Assets	$ 6,096,587	$ 6,224,912
Fixed Assets (Net)	2,843,943	2,940,141
Other Assets	440,931	528,328
Total Assets	9,381,461	9,693,381
Deferred Outflow of Resources	175,136	258,031
Total Assets and Deferred Outflows	$ 9,556,597	$ 9,951,412
Current Liabilities	$ 1,038,877	$ 1,209,346
Long-term Liabilities	2,991,362	3,065,824
Total Liabilities	4,030,239	4,275,170
Deferred Inflow of Resources	537,954	536,633
Total Liabilities and Deferred Inflows	4,568,193	4,811,803
Total Net Position	4,988,404	5,139,609
Total Liabilities, Deferred Inflows And Net Position	$ 9,556,597	$ 9,951,412

Changes in the Agency's Net Position can be determined by reviewing the following condensed Statement of Revenues, Expenses, and Changes in Net Position for the fiscal years ended December 31, 2019 and 2018.

Table 2

	2019	2018
Industrial Development Project Revenues	$ 896,673	$ 1,261,269
Other Revenues	687,925	579,063
Total Revenue	1,584,598	1,840,332
Industrial Development Project Expenses	1,095,370	1,260,953
Administrative Expenses	640,433	700,216
Total Expenses	1,735,803	1,961,169
Change in Net Position	(151,205)	(120,837)
Net Position – Beginning of Year	5,139,609	6,181,309
Implementation of GASB 75	-	(920,863)
Net Position – End of Year	$ 4,988,404	$ 5,139,609





CASH AND INVESTMENT POLICY

The St. Lawrence County Industrial Development Agency 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 Agency to designate depositories. In accordance with this Article, five (5) banks are designated as depositories for Agency funds. Rates are competitively procured for each deposit, with no more than 60% of its total investments in any one institution.

CONTACTING THE AGENCY'S FINANCIAL MANAGEMENT

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

ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

STATEMENTS OF NET POSITION
DECEMBER 31, 2019 AND 2018

	12/31/2019	12/31/2018
ASSETS		
Current Assets		
Cash and Cash Equivalents	$ 968,249	$ 2,197,149
Cash - Security Deposits	4,805	4,802
Cash - Special Reserve	4,307	21,070
Investments - Special Reserve	1,995,693	1,978,930
Accounts Receivable	5,317	5,646
Accrued Interest Receivable	294	411
Due from Other Governments	1,300,000	36,719
Grants Receivable	1,728,405	1,883,560
Leases Receivable	15,067	15,067
Capital Leases Receivable	72,529	69,728
Prepaid Expenses	1,921	11,830
Total Current Assets	6,096,587	6,224,912
Long-Term Assets		
Capital Assets		
Nondepreciable	458,343	458,343
Depreciable, Net of Accumulated Depreciation	2,385,600	2,481,798
Leases Receivable, Net of Current Portion	65,456	80,293
Capital Leases Receivable, Net of Current Portion	375,475	448,035
Total Long-Term Assets	3,284,874	3,468,469
Total Assets	9,381,461	9,693,381
Deferred Outflows of Resources		
Pension	96,867	172,668
Other Post Employment Benefits	78,269	85,363
Total Deferred Outflows of Resources	175,136	258,031
LIABILITIES		
Current Liabilities		
Accounts Payable and Accrued Expenses	147,919	285,094
Rental and Refundable Deposits	4,805	4,802
Deferred Revenue	80,523	114,263
Long Term Debt - Current Portion	805,630	805,187
Total Current Liabilities	1,038,877	1,209,346
Long-Term Liabilities		
Compensated Absences	213,568	195,362
Postemployment Benefits Other Than Pensions	1,601,412	1,692,370
Long Term Debt - Less Current Portion	1,072,721	1,128,351
Net Pension Liability - Proportionment Share	103,661	49,741
Total Long-Term Liabilities	2,991,362	3,065,824
Total Liabilities	4,030,239	4,275,170
Deferred Inflows of Resources		
Pension	63,050	193,148
Other Post Employment Benefits	474,904	343,485
Total Deferred Outflows of Resources	537,954	536,633
NET POSITION		
Net Investment in Capital Assets	1,715,592	1,756,603
Unrestricted - Assigned	2,000,000	2,000,000
Unrestricted - Unassigned	1,272,812	1,383,006
Total Net Position	$ 4,988,404	$ 5,139,609

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

ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	12/31/2019	12/31/2018
REVENUES		
Program Revenues		
Newton Falls Rail Repair Grant	$ 8,146	$ 748,110
Potsdam Commerce Park Rent	19,250	43,410
Canton Industrial Building Rent	41,955	33,564
Loan Interest Income	13,729	15,692
Bank Interest Income	355	389
ALCOA Foundation Grant	18,822	10,134
RDBG Grant	14,838	10,111
J & L Project Grant	793,662	415,940
Administration Fees	407,200	407,200
CDC Project Fees	-	79,545
Project Fees	221,721	50,177
Miscellaneous Income	25	17,767
Realized Gain (Loss) on Investments	29,363	-
Unrealized Gain (Loss) on Investments	15,532	8,293
Total Revenues	1,584,598	1,840,332
EXPENSES		
Program Expenses		
Gouverneur Industrial Park	2,019	1,842
Newton Falls Rail Repair	16,029	759,360
Potsdam Commerce Park	30,188	31,669
Canton Industrial Park	4,568	4,924
Canton Industrial Building	84,774	81,193
J & L Project Expense	793,662	348,821
Newell Building Project Expense	116,824	-
Other Program Expenses	47,306	33,144
Administrative Operating Expenses	640,433	700,216
Total Expenses	1,735,803	1,961,169
Change in Net Position	(151,205)	(120,837)
Net Position - Beginning of Year	5,139,609	6,181,309
Implementation of GASB No. 75	-	(920,863)
Net Position - End of Year	$ 4,988,404	$ 5,139,609

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

ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	12/31/2019	12/31/2018
Cash Flows from Operating Activities		
Cash Received from Others for Services and Grants	$ 1,715,045	$ 2,203,929
Cash Paid for Goods and Services	(1,197,157)	(959,198)
Cash Paid for Employee Services	(350,108)	(342,441)
Cash Paid for Employee Benefits	(154,222)	(158,101)
Net Cash Provided (Used) By Operating Activities	13,558	744,189
Cash Flows from Investing Activities		
Purchase of Investments	(1,971,868)	-
Proceeds from Sale of Investments	2,000,000	-
Issuance of New Leases	-	(57,850)
Payments Received on Leases	84,597	76,138
Net Cash Provided (Used) By Investing Activities	112,729	18,288
Cash Flows from Capital and Financing Activities		
Purchase of Property and Equipment	-	(79,597)
Advances made to Other Governments	(1,300,000)	-
Proceeds Received From Long-Term Debt	750,000	17,119
Payments Made on Long-Term Debt	(805,187)	(403,525)
Net Cash Provided (Used) By Financing Activities	(1,355,187)	(466,003)
Net Increase (Decrease) in Cash and Cash Equivalents	(1,228,900)	296,474
CASH AND CASH EQUIVALENTS - Beginning of Year	2,197,149	1,900,675
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 968,249	$ 2,197,149
Reconciliation of Net Income to Net Cash		
Provided by Operating Activities		
Change in Net Position	$ (151,205)	$ (120,837)
Adjustments to Reconcile Net Income to		
Net Cash Provided By Operating Activities		
Depreciation	96,197	94,505
Implementation of GASB Statement No. 75	-	(920,863)
(Gains) Losses on Investments	(44,895)	-
Changes in Operating Assets and Liabilities		
Accounts Receivable	37,048	(36,970)
Accrued Interest Receivable	117	193
Grants Receivable	155,155	315,069
Prepaid Expenses	9,910	(666)
Special Reserves	16,762	-
Accrued Expenses - Other	(137,175)	280,825
Deferred Revenue	(33,740)	85,306
Compensated Absences	18,206	12,381
Postemployment Benefits	(90,958)	782,266
Net Pension Liability	53,920	(96,023)
Net Pension Deferred Outflows/Inflows	(54,297)	90,881
Net OPEB Deferred Outflows/Inflows	138,513	258,122
Net Cash Provided (Used) By Operating Activities	$ 13,558	$ 744,189

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the St. Lawrence County Industrial Development Agency (Agency) have been prepared in conformity with generally accepted accounting principles (GAAP). Those principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Certain significant accounting principles and policies utilized by the Agency are described below.

Reporting Entity

The Agency is considered a component unit of the financial reporting entity known as County of St. Lawrence, New York based upon criteria set forth by GASB Statement No. 14, *The Financial Reporting Entity*, as amended.

The accompanying financial statements present the activities of the Agency.

Nature of Organization

The Agency is an industrial development agency duly established under Title 1, Article 18-A of the General Municipal Law of the State of New York and Chapter 358 of the Laws of 1971 of the State of New York, and is a corporate governmental agency constituting a public benefit corporation of the State of New York. The Agency is exempt from federal, state, and local income taxes.

Measurement Focus

The Agency's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the Agency gives or receives value without directly receiving or giving equal value in exchange, may include grants and donations. On an accrual basis, revenue is recognized in the fiscal year for which the revenue is earned. Revenues from grants and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allowance for Bad Debts

The Agency has elected not to establish an allowance for bad debts 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.

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 Agency-wide statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings	$ 5,000	Straight Line (SL)	40 years
Building Improvements	2,500	SL	10 years
Land Improvements	2,500	SL	3 years
Office Furniture and Equipment	2,500	SL	7 years
Automobiles	2,500	SL	5 years

Deferred Revenue

The Agency recognizes revenue when it is earned. Revenue associated with cash receipts received in advance from rental operations is deferred until the month they are earned.

Vested Employee Benefits

Agency employees are granted vacation and sick time in varying amounts based primarily on length of service. There are limits on the amount of time that can be either accrued and/or used during any one fiscal year. Also, in the event of certain terminations, some earned benefits may be forfeited.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Vested Employee Benefits (Continued)

Personal time and other forms of leave are specified in the Agency's Employee Handbook. Personal time must be utilized during a 12 month period that begins on the first day of the month the employee was hired. Personal time is non-cumulative from year to year. Any unused time at the end of the employee's anniversary year will be subject to forfeiture. Sick and vacation leave is cumulative from year to year with maximum accruals based on years of service as outlined in the employee handbook. Upon retirement, resignation, or death, employees may receive a payment for accrued vacation and personal time based on the employee's regular rate of pay. Upon retirement, employees may receive a medical insurance credit based on unused sick time accrued at the employee's regular rate of pay as outlined in the employee handbook. Consistent with GASB Statement No. 16*, Accounting for Compensated Absences,* an accrual for accumulated sick and vacation leave is included in the compensated absences liability at year-end. The compensated absences liability is calculated based on the pay rates in effect at year end.

Eligible Agency employees participate in the New York State and Local Employees Retirement System. In addition to providing pension benefits, the Agency participates in a health insurance program through St. Lawrence County which provides medical insurance coverage and survivor benefits for retired employees and their survivors. Substantially all of the Agency's employees may become eligible for these benefits if they reach normal retirement age while working for the Agency. Medical benefits are provided through a plan whose premiums are based on the benefits paid during the year. The Agency recognizes the cost of providing medical insurance by recording its share of insurance premiums as expenditures in the year paid.

Postemployment Benefits Other Than Pensions (OPEB)

In addition to providing the retirement benefits described in the Note above, the Agency provides post-employment health insurance coverage to its retired employees and their survivors. The payment of this benefit is not governed by any employment contract and is done at the discretion of the Agency Board. In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions* (Statement 75). This statement replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension,* (Statement 45) and issues new standards for defined benefit OPEB and defined contribution OPEB provided to employees of state and local governments through OPEB plans. Its intent is to improve accounting and financial reporting by requiring an OPEB liability to be reported on the face of the financial statements rather than in the accompanying notes as previously required by Statement 45. In 2018, the Agency implemented Statement 75.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Procedures and Budgetary Accounting

The Agency administration prepares a proposed budget for operations each year for approval by the Board of Directors. Appropriations are adopted at the program line item level as established by the adoption of the budget which constitutes a limitation on expenditures which may be incurred. Appropriations lapse at the end of the fiscal year unless expended. Budgets are adopted annually on a basis consistent with GAAP.

Pension Accounting

The Agency has adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – an Amendment of GASB Statement No. 27.* This statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses. The employer liability is to be measured as the difference between the present values of projected benefit payments to be provided through the pension plan for past periods of service less the amount of the pension plan's fiduciary net position. Obligations for employers with cost sharing plans will be based on their proportionate share of contributions to the pension plan.

Subsequent Events

Management has reviewed and evaluated all events and transactions from January 1, 2020 through March 16, 2020, 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.

Changes in Accounting Principles

For the fiscal year ended December 31, 2018, the Agency implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.* The implementation of the statement requires the Agency to report Other Post-Employment Benefits (OPEB) liabilities, OPEB expenses, deferred outflows of resources and deferred inflows of resources related to OPEB. See Note 9 for the financial statement impact of the implementation of the statement.

NOTE 2 - NET POSITION CLASSIFICATION

GASB requires net position be reported in three classifications defined as follows:

Net Investment in Capital Assets - Consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvements of those assets. The Agency had $ 1,715,592 and $ 1,756,603 invested in capital assets, net of related debt as of December 31, 2019 and 2018, respectively.

NOTE 2 - NET POSITION CLASSIFICATION (Continued)

Restricted Net Position - Consists of amounts which have external constraints placed on their use imposed by creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law. No such amounts were restricted as of December 31, 2019 and 2018, respectively.

Unrestricted Net Position - Reports all other net assets that do not meet the definition of the above classifications and are deemed to be available for general use by the Agency. The Agency's unrestricted net position has two classifications, Unassigned and Assigned. The Agency's unassigned net position was $ 1,272,812 and $ 1,383,006 as of December 31, 2019 and 2018, respectively. The assigned net position was $ 2,000,000 for both December 31, 2019 and 2018. The Board of Directors designated the assigned net position of $ 2,000,000 in 2001 for the purpose of assisting in the future solvency of the Agency.

When an expense is incurred for which restricted or unrestricted net position is available, the Agency considers amounts to have been spent first out or restricted and then unrestricted, as needed.

NOTE 3 - CASH AND INVESTMENTS

The Agency'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 Agency'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 are stated at fair value.

NOTE 4 - INVESTMENTS

Investments as of December 31, 2019 and 2018 are carried at fair value and consist of the following:

	12/31/2019	12/31/2018
United States Treasury Bills	$ 1,995,693	$ 1,978,930

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

	12/31/2019	12/31/2018
Realized Gains (Losses)	$ 29,363	$ -
Unrealized Gains (Losses)	15,532	8,293
	$ 44,895	$ 8,293

NOTE 5 - 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 Agency 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 Agency's investments at December 31, 2019 and 2018 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.

	Quoted Prices in Active Markets (Level 1)	
	12/31/2019	12/31/2018
United States Treasury Bills	$ 1,995,693	$ 1,978,930

The Agency has no investments that are valued using either Level 2 or Level 3 inputs as of December 31, 2019 and 2018.

NOTE 6 - LEASES RECEIVABLE

The Agency carries leases receivable at cost. Balances at December 31, 2019 and 2018 are as follows:

Leases	Interest Rate	Maturity	Original Amount	Balance 2019	Balance 2018
LC Drives Corp. (RDBG)	0.000%	09/01/2024	$ 47,621	$ 32,314	$ 39,117
LC Drives Corp. (RDBG)	0.000%	10/01/2025	57,850	48,209	56,243
				$ 80,523	$ 95,360

Future maturities of the leases receivable are as follows:

	Lease Receivable
December 31, 2020	$ 15,067
2021	15,067
2022	15,067
2023	15,067
2024	13,366
Thereafter	6,889
	$ 80,523

All leases are considered collectible until all legal remedies have been exhausted.

NOTE 7 - CAPITAL LEASES (LEASE-PURCHASE AGREEMENTS)

The Agency leases buildings under lease-purchase agreements. Through these agreements, as the Lessor the Agency provides financial assistance for the acquisition of Agency-owned properties for companies as part of economic development projects. Balances at December 31, 2019 and 2018 are as follows:

Capital Leases	Interest Rate	Original Date	Maturity Date	Original Amount	Balance 2019	Balance 2018
Op-Tech	2.625%	07/01/2009	05/11/2024	$ 540,000	$ 185,744	$ 224,517
New York Power Tools, Inc.	3.000%	07/01/2017	06/30/2027	350,000	262,260	293,246
					$ 448,004	$ 517,763

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

December 31, 2020	$ 72,529
2021	73,829
2022	75,918
2023	78,066
2024	56,413
Thereafter	91,249
	$ 448,004

NOTE 8 - CAPITAL ASSETS

Capital asset balances and activity for the year ended December 31, 2019 is as follows:

Capital Assets	Beginning Balance	Additions	Retirements	Ending Balance
Nondepreciable				
Land	$ 206,750	$ -	$ -	$ 206,750
Land Improvements	251,593	-	-	251,593
Total nondepreciable historical cost	458,343	-	-	458,343
Depreciable				
Building and Improvements	3,077,691	-	-	3,077,691
Automobiles	39,560	-	-	39,560
Office Equipment and Furnishings	27,096	-	1,216	25,880
Total depreciable historical cost	3,144,347	-	1,216	3,143,131
Less accumulated depreciation	662,549	96,198	1,216	757,531
Total depreciable historical cost, net	2,481,798			2,385,600
Total capital assets historical cost, net	$ 2,940,141			$ 2,843,943

Depreciation expense was charged to activities as follows:

	2019	2018
Potsdam Commerce Park Building	$ 22,263	$ 22,263
Canton Industrial Building	64,959	60,980
Canton Industrial Park	3,620	4,020
Total Depreciation Charged to Activities	90,842	87,263
Administrative Operating	5,356	7,242
Total Depreciation Expense	$ 96,198	$ 94,505

NOTE 9 - DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Agency has two items that meet this criterion - OPEB and pension plan contributions.

NOTE 9 - DEFERRED OUTFLOWS/INFLOWS OF RESOURCES (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Agency has two items that meet the criterion of this category – OPEB and pension related deferrals.

NOTE 10 - PENSION PLANS

Plan Description

The St. Lawrence County Industrial Development Agency participates in the New York State and Local Employees' Retirement System (ERS) which, along with the New York State and Local Police and Fire Retirement System (PFRS), is collectively referred to as the New York State and Local Retirement System (the System). These are cost-sharing multiple-employer defined benefit retirement systems. The net position of the System is held in the New York State Common Retirement Fund (the Fund), which was established to hold all net assets and record changes in fiduciary net position allocated to the System. The Comptroller of the State of New York serves as the trustee of the Fund and is the administrative head of the System. The Comptroller is an elected official determined in a direct statewide election and serves a four year term. Thomas P. DiNapoli has served as Comptroller since February 7, 2007. In November, 2018, he was elected for a new term commencing January 1, 2019. System benefits are established under the provisions of the New York State Retirement and Social Security Law (RSSL). Once a public employer elects to participate in the System, the election is irrevocable. The New York State Constitution provides that pension membership is a contractual relationship and plan benefits cannot be diminished or impaired. Benefits can be changed for future members only by enactment of a State statute. The Agency also participates in the Public Employees' Group Life Insurance Plan (GLIP), which provides death benefits in the form of life insurance. The System is included in the State's financial report as a pension trust fund. That report may be found at www.osc.state.ny.us/retire/publications/index.php or obtained by writing to the New York State and Local Retirement System, 110 State Street, Albany, NY 12244.

Contributions

The system is noncontributory except for employees who joined the New York State and Local Employees' Retirement after July 27, 1976, who contribute 3 percent of their salary for the first ten years of membership, and employees who joined on or after January 1, 2010 (ERS) who generally contribute 3 percent of their salary for their entire length of service. For Tier 6 members, the contribution rate varies from 3 percent to 6 percent depending on salary. Generally, Tier 5 and 6 members are required to contribute for all years of service. Under the authority of the NYSRSSL, the Comptroller annually certifies the actuarially determined rates expressly used in computing the employers' contributions based on salaries paid during the Systems' fiscal year ending March 31.

NOTE 10 - PENSION PLANS (Continued)

Contributions (Continued)

Contributions for the current year and two preceding years were equal to 100 percent of the contributions required, and were as follows:

2019	$ 49,700
2018	$ 49,766
2017	$ 55,996

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

At December 31, 2019, the Agency reported a liability of $ 103,661 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Agency's portion of the net pension liability is based on a projection of the Agency's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined.

At December 31, 2019, the Agency's proportionate share was $ 103,661, which was an increase of $ 53,920 from its proportion measured as of March 31, 2018.

For the year ended December 31, 2019, the Agency recognized pension expense of $ 50,021. At December 31, 2019, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	$ 20,413	$ 6,959
Changes of Assumptions	26,056	-
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	26,605
Changes in Proportion and Differences between Employer Contribution and Proportionate Share of Contributions	-	29,486
Employer Contributions Subsequent to the Measurement Date	50,398	-
Total	$ 96,867	$ 63,050

NOTE 10 - PENSION PLANS (Continued)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The $ 50,398 reported as deferred outflows of resources related to pensions resulting from the Agency contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

March 31, 2020	$ 8,416
2021	(29,971)
2022	(6,623)
2023	11,597
	$ (16,581)

Actuarial Assumptions

The total pension liability at March 31, 2019 was determined by using an actuarial valuation as of April 1, 2018, with updated procedures to roll forward the total pension liability to March 31, 2019. The actuarial valuation used the following actuarial assumptions:

	ERS
Inflation	2.5%
Salary Increase	4.2%
Investment Rate of Return	
(Net of Investment Expense, including Inflation)	7.0%
Cost-of-Living Adjustments	1.3%

Annuitant mortality rates are based on April 1, 2010 – March 31, 2015 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2014.

The actuarial assumptions used in the April 1, 2018 valuation are based on the results of an actuarial experience study for the period April 1, 2010 – March 31, 2015.

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

NOTE 10 - PENSION PLANS (Continued)

Actuarial Assumptions (Continued)

Best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of March 31, 2019 are summarized below:

Asset Class	Long-Term Expected Real Rate of Return
Domestic Equity	4.55%
International Equity	6.35%
Private Equity	7.50%
Real Estate	5.55%
Absolute Return Strategies	3.75%
Opportunistic Portfolio	5.68%
Real Assets	5.29%
Bonds and Mortgages	1.31%
Cash	(0.25)%
Inflation-Indexed Bonds	1.25%

The real rate of return is net of the long-term inflation assumption of 2.50%.

Discount Rate

The discount rate used to calculate the total pension liability was 7.0%. The projection of cash flows used to determine the discount rate assumes that contributions from plan members will be made at the current contribution rates and that contributions from employers will be made at statutorily required rates, actuarially. Based upon the assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to the Discount Rate Assumption

The following presents the current period proportionate share of the net pension liability of the Agency calculated using the current-period discount rate assumption of 7.0%, as well as what the Agency's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage-point lower (6.0%) or one percentage-point higher (8.0%) than the current rate:

	1 Percent Decrease (6.0%)	Current Assumption (7.0%)	1 Percent Increase (8.0%)
Agency's Proportionate Share of the Net Pension Liability (Asset)	$ 453,224	$ 103,661	$ (189,996)

NOTE 10 - PENSION PLANS (Continued)

Net Pension Liability of Participating Employers

The components of the net pension liability of the employers participating in The System as of March 31, 2019, were as follows:

	Employees Retirement System (Dollars in Thousands)
Employers' Total Pension Liability	$ 189,803,429
Fiduciary Net Position	182,718,124
Employers' Net Pension Liability	$ 7,085,305
Ratio of Fiduciary Net Position to the Employers' Total Pension Liability	96.27%

NOTE 11 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information about the OPEB Plan

The Agency's defined benefit OPEB plan, the St. Lawrence County Health Care Plan, provides OPEB for all permanent full-time employees of the Agency. The St. Lawrence County Health Care Plan is a single-employer defined benefit OPEB plan administered by St. Lawrence County. Article 11 of the State Compiled Statutes grants the authority to establish and amend the benefit terms and financing requirements to the St. Lawrence County Board. No assets are accumulated in a trust that meets the criteria in Paragraph 4 of Statement 75.

The St. Lawrence County Health Care Plan provides healthcare benefits for retirees, spouses, and their covered dependents while contributing a portion of the expenses. The benefit terms provide for payment of 90 percent of the health insurance premiums for non-Medicare-eligible individual retirees.

At December 31, 2019, the following employees were covered by the benefit terms:

Inactive Employees or Beneficiaries Currently Receiving Benefit Payments	1
Inactive Employees Entitled to but not yet Receiving Benefit Payments	-
Active Employees	5
	6

NOTE 11 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Total OPEB Liability

The Agency's total OPEB liability of $ 1,601,412 was measured as of January 1, 2019, and was determined by an actuarial valuation as of that date.

The total OPEB liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.20%
Salary Increases	3.00%
Discount Rate	4.10%
Healthcare Cost Trend Rates	6.00% pre-65 and 6.50% post-65 for 2019, with future anticipated decreases.
Retirees' Share of Benefit-Related Costs	10% of projected health insurance premiums for retirees

The discount rate was based on Bond Buyer Weekly 20-Bond GO Index.

Mortality rates were based on the RPH-2014 Mortality Table adjusted back to 2006 using scale MP-2014 and projected forward using scale MP-2017.

The actuarial assumptions used in the January 1, 2018 valuation were based on the results of an actuarial experience study for the period January 1, 2016 – December 31, 2017, with update procedures used to roll forward the total OPEB liability to the measurement date of January 1, 2019.

Changes in the Net OPEB Liability

	Total OPEB Liability
Balance at January 1, 2018	$ 1,692,370
Changes for the Year:	
Service Cost	65,391
Interest	60,146
Changes in Benefit Terms	-
Differences between Expected and Actual Experience	-
Changes in Assumptions and Other Inputs	(197,857)
Benefit Payments	(18,638)
Net Changes	(90,958)
Balance at January 1, 2019	$ 1,601,412

Changes in assumptions and other inputs reflect a change in the discount rate from 3.44% on January 1, 2018 to 4.10% on January 1, 2019.

NOTE 11 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the Agency, as well as what the Agency's total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower (3.10%) or one percentage-point higher (5.10%) than the current discount rate:

	1% Decrease (3.10%)	Current (4.10%)	1% Increase (5.10%)
Total OPEB Liability	$ 1,913,870	$ 1,601,412	$ 1,353,373

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Agency, as well as what the Agency's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage-point lower or one percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current	1% Increase
Total OPEB Liability	$ 1,306,109	$ 1,601,412	$ 1,985,610

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2019, the Agency recognized OPEB expense of $ 47,555. At December 31, 2019, the Agency reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ -	$ 299,505
Change of Assumptions or Other Inputs	58,182	175,399
Employer Contributions Subsequent to the Measurement Date	20,087	-
Total	$ 78,269	$ 474,904

NOTE 11 - POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

The $ 20,087 reported as employer contributions subsequent to the measurement date will be recognized as a reduction in the current year OPEB expense. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expenses as follows:

December 31, 2020	$ (57,895)
2021	(57,895)
2022	(57,895)
2023	(57,895)
2024	(57,895)
Thereafter	(127,247)
	$ (416,722)

NOTE 12 - LONG-TERM LIABILITIES

St. Lawrence County Industrial Development Agency Local Development Corporation (Canton Industrial Building): On December 4, 2014, the Agency closed a $ 1,400,000 loan from the SLCIDA-LDC consisting of $ 700,000 from the River Valley Redevelopment Agency loan fund and $ 700,000 from the SLCIDA-LDC revolving loan fund to finance some of the construction costs of the Canton Industrial Building. The Agency mortgaged the property to the SLCIDA-LDC as security for the loan. The River Valley Redevelopment Agency portion of the loan has a 7 year repayment with a 20 year amortization with an interest rate of 1%. The remaining portion of the loan has a 30 year amortization with an interest rate of ½ of 1%.

St. Lawrence County Industrial Development Agency Local Development Corporation (Newton Falls Rail Rehabilitation Project): During 2016, the Agency Board approved a $ 750,000 loan from the River Valley Redevelopment Agency loan fund with an interest rate of 1.5%. This loan was paid in full in 2019.

Development Authority of the North Country (DANC): In 2018 a loan agreement was executed for the former J&L Steel site rehabilitation to assist in gap funding for Phase 2 of the project. DANC committed loan funds of up to $ 750,000 at 1.5% interest. The loan funds were disbursed to the Agency in 2019. The loan is expected to be paid in full during 2020.

NOTE 12 - LONG-TERM LIABILITIES (Continued)

Long-term liabilities as of December 31, 2019 and 2018 consisted of the following:

Holder	Interest Rate	Maturity	Original Amount	Balance 2019	Balance 2018
SLCIDA-SLRVRA - Canton Industrial Building	1.000%	11/01/21	$ 700,000	$ 537,844	$ 570,918
SLCIDA-LDC - Canton Industrial Building	0.500%	11/01/44	700,000	590,507	612,620
SLCIDA-SLRVRA - Rail	1.500%	09/30/17	750,000	-	750,000
DANC - J & L Loan	1.500%	03/01/20	750,000	750,000	-
				$ 1,878,351	$ 1,933,538

Future maturities of long-term debt are projected as follows:

	Principal	Interest
December 31, 2020	$ 805,630	$ 10,049
2021	56,077	7,680
2022	56,528	7,229
2023	56,982	6,775
2024	57,441	6,316
2025 - 2029	294,234	24,552
2030 - 2034	306,270	12,458
2035 - 2039	120,981	4,648
2040 - 2044	124,208	1,588
	$ 1,878,351	$ 81,295

NOTE 13 - INDUSTRIAL REVENUE BOND ISSUES

At the date of these financial statements, the Agency had participated in fifty-one such bond issues in the total original issue amount of $ 770,570,700. These issues were made at various times between February 1973 and December 31, 2019. These issues are not reflected in the financial statements since they are considered to be special obligations of the Agency having no claim on the general assets or general funds of the Agency.

NOTE 14 - ST. LAWRENCE COUNTY IDA LOCAL DEVELOPMENT CORPORATION

On April 29, 1986, the Agency created a Local Development Corporation known as the St. Lawrence County Industrial Development Agency Local Development Corporation (SLCIDA-LDC). St. Lawrence County assigned all of the loan repayments from certain County Community Development Block Grant (CDBG) Projects to the Agency for the purpose of establishing a county wide revolving loan fund. Upon the formation of the SLCIDA-LDC, the Agency assigned all of its rights in the CDBG assignment to the SLCIDA-LDC for collection and administration.

NOTE 15 - MASSENA LOT 17 AND MASSENA LOT 20 BUILDINGS

In 2005, the Agency acquired the Massena Lots 17 and 20 buildings as part of a loan settlement agreement with Michele Audio Corporation of America.

In 2009, the Agency entered into a 15-year lease/purchase agreement with OP-Tech Environmental Services, Inc. for the Lot 20 industrial building at the lease/purchase price of $ 540,000.

In 2014, after Media Accessories.Com, Inc. defaulted on its lease/purchase agreement for the Agency's Lot 17 building in the Massena Industrial Park, the Agency terminated its contract with the company and resumed full ownership of the property. In July 2017, the Agency entered into a 10-year lease/purchase agreement with NY Power Tools Inc. for the Lot 17 industrial building at the lease/purchase price of $ 350,000.

NOTE 16 - CANTON INDUSTRIAL PARK

By Resolution # IDA-12-12-49 dated December 11, 2012, the Agency assigned a value of $ 166,250 to the land that constitutes the Canton Industrial Park (CIP) which had been donated to the Agency by St. Lawrence County in 2011. In 2012, the Agency applied for and was awarded funds through New York State's Regional Economic Development program to build out the infrastructure of the CIP. In April 2013, the Agency executed an Incentive Proposal issued by Empire State Development (ESD) under which ESD committed to grant up to $ 470,000 to the Agency for site preparation, including roads, water, and sewer in the CIP. In late 2013, the Agency began to make such improvements; they were substantially completed in 2014. In 2016, the Agency received a final grant award of $ 470,000 from Empire State Development.

NOTE 17 - ST. LAWRENCE COUNTY IDA CIVIC DEVELOPMENT CORPORATION

On January 7, 2010, a resolution was passed by the Agency that authorized staff to pursue the creation of a local development corporation to assist 501(c)(3) organizations in financing much-needed construction and expansion projects. The expiration of Civic Facilities Bond legislation had severely inhibited the ability of local industrial development agencies to assist 501(c)(3) organizations in financing much-needed construction and expansion projects. On April 13, 2010, the St. Lawrence County Industrial Development Agency Civic Development Corporation (SLCIDA-CDC) was created for this purpose.

NOTE 18 - NEWTON FALLS SECONDARY LINE

On December 23, 1991, the Agency took title to the St. Lawrence County portion of the 46.25 mile Newton Falls Secondary Line (the "Railroad"). In May of 2012, the Agency and the Mohawk Adirondack & Northern (MA&N) executed an operating agreement under which the Agency's ownership of the Railroad was confirmed and which structured the Agency's lease of the Railroad to MA&N and set conditions under which MA&N might take future ownership of the Railroad.

NOTE 18 - NEWTON FALLS SECONDARY LINE (Continued)

On October 25, 2012, the Agency executed an Incentive Proposal issued by Empire State Development (ESD) (originally dated March 7, 2012 and revised on September 7, 2012) under which ESD committed to grant up to $ 9,972,000 to the Agency to rehabilitate the entire Railroad. The Incentive Proposal split the grant into two phases – Phase 1 amounting up to $ 1,300,000 to be used for pre-construction costs that would enable the Agency to clear the line, appraise the repairs required, and prepare specifications and bid documents; Phase 2 amounting up to $ 8,672,000 to be used for the actual rehabilitation work.

Beginning after October 25, 2012, the Agency began incurring expenses for the Phase 1 pre-construction costs and by December 31, 2015, the pre-construction phase was complete with cumulative costs totaling $ 1,316,129. On February 7, 2014, the Urban Development Corporation, acting on behalf of ESD, sent the Agency an executed Grant Disbursement Agreement which structured the Phase 1 grant process and authorized the Agency to request reimbursement for pre-construction expenses dating back to October 25, 2012. Total reimbursements received by the Agency pursuant to the Phase 1 Grant Disbursement Agreement totaled $ 1,300,000.

Phase 2 of the project began in 2016. Through December 31, 2019, cumulative rehabilitation costs totaled $ 8,274,802 while grant reimbursement totaled $ 7,368,879. The Agency expects to receive full grant reimbursement in 2020.

NOTE 19 - J&L REHABILITATION

The Jones & Laughlin Ore Processing Facility (“J&L”) is an approximate 36 acre site within a 58.10 acre parcel of real property containing several abandoned buildings in disrepair, a network of tunnels and piles of demolition debris located at the intersection of NYS Route 3 and County Route 60 in the Town of Clifton, St. Lawrence County, New York, and is owned by St. Lawrence County. In 2016, the Agency entered into an agreement with the Town of Clifton, the Development Authority of the North Country and St. Lawrence County regarding rehabilitation of the J&L site. The Agency manages multiple grants on this project pertaining to the rehabilitation. Phase 1 of the project is site testing, engineering assessments and the demolition of buildings on the J&L site. Phase 2 continued with the demolition and redevelopment and is substantially complete.

NOTE 20 - NEWELL BUILDING

The Agency entered into a Memorandum of Agreement dated November 1, 2017 with the City of Ogdensburg to provide bridge funding for the redevelopment of property known as the Newell Building located at 100 Paterson Street in the city of Ogdensburg, New York.

NOTE 20 - NEWELL BUILDING (Continued)

Under the Agreement, the Agency will provide up to $ 1,000,000 in bridge financing. The City of Ogdensburg has obtained a Restore NY grant award for the project and upon receipt will reimburse the Agency. Subsequent to executing the agreement, the City of Ogdensburg obtained a second grant award for the project from a new source in the amount of $ 300,000 and the Agency will provide additional bridge financing in that amount similar to the terms set forth in the original agreement. At the conclusion of the rehabilitation the City of Ogdensburg will transfer good and marketable title to the property to the IDA or an IDA affiliate.

At December 31, 2019 and 2018, the amount due the Agency for this project was $ 1,300,000 and $ 36,719, respectively. The amount due is recorded as Due from Other Governments on the statement of net position and the Agency expects to receive full payment in 2020. There is no interest charged under this agreement.

NOTE 21 - RECOGNITION OF CERTAIN GRANT REVENUE AND EXPENDITURES

Occasionally the Agency (as “grantee”) applies for and receives grants from government agencies and other organizations. These grants are usually “reimbursement grants”, i.e., the monies from the grants 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 Agency 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 Agency does not accrue any revenues/expenses or receivables/payables associated with items to be paid out for future grant reimbursement unless the Agency 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. There were no such reimbursement grants active as of December 31, 2019.

From time to time, the Agency will act as a “grantor” in a “pass through” capacity only where it applies for grants on behalf of other entities and then in turn acts as the official “grantor”. Since these grants are also reimbursement grants, the Agency has adopted the same policy as stated above when acting as a “pass through grantor”. As of December 31, 2019, there were no active grants of this nature.

NOTE 22 - CONCENTRATION OF CREDIT RISK

At December 31, 2019, the Agency had bank balances totaling $ 968,669 with a carrying value of $ 972,556. A combination of federal depository insurance (FDIC) and securities pledged and held by the banks fully covered the cash balances as follows:

FDIC Insured	$ 750,000
Collateralized by Financial Institutions	218,669
	$ 968,669

NOTE 23 - RELATED PARTY TRANSACTIONS

The Agency is related to the following entities through:

- St. Lawrence County Industrial Development Agency Civic Development Corporation (SLCIDA-CDC)
  - Common Board Membership and Officers

- St. Lawrence County Industrial Development Agency Local Development Corporation (SLCIDA-LDC)
  - Common Board Membership, Officers and Program Administrative Agreements

The SLCIDA-CDC paid the SLCIDA $ 0 and $ 79,545 in 2019 and 2018, respectively for building project improvements undertaken in the Canton Industrial Building.

The SLCIDA-LDC has loaned funds to the Agency. Information on these loans can be found in Note 12 of these financial statements.

Administrative fees paid by SLCIDA-LDC to the Agency totaled $ 207,200 for both 2019 and 2018.

NOTE 24 - RECLASSIFICATIONS

Certain amounts in the 2018 financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - NYSLRS PENSION PLAN FOR THE YEAR ENDED DECEMBER 31, 2019

	2019	2018	2017	2016	2015
Employer's Proportion of the Net Pension Liability (Asset)	0.0014630%	0.0015412%	0.1551300%	0.0020224%	0.2161300%
Employer's Proportionate Share of the Net Pension Liability (Asset)	$ 103,661	$ 49,741	$ 145,764	$ 324,593	$ 73,014
Employer's Covered-Employee Payroll	$ 350,108	$ 342,440	$ 337,649	$ 342,530	$ 376,838
Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	29.61%	14.53%	43.17%	94.76%	19.38%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	96.3%	98.2%	94.7%	90.7%	97.9%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SCHEDULE OF EMPLOYER'S CONTRIBUTIONS - NYSLRS PENSION PLAN

	2019	2018	2017	2016	2015
Contractually Required Contribution	$ 50,398	$ 49,700	$ 49,766	$ 55,996	$ 74,013
Contributions in Relation to the Contractually Required Contribution	50,398	49,700	49,766	55,996	74,013
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Employer's Covered-Employee Payroll	$ 350,108	$ 342,440	$ 337,649	$ 342,530	$ 376,838
Contribution as a Percentage of Covered-Employee Payroll	14.39%	14.51%	14.74%	16.35%	19.64%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

SCHEDULE OF CHANGES IN EMPLOYER'S TOTAL OPEB LIABILITY AND RELATED RATIOS

	2019	2018
Total OPEB Liability		
Service Cost	$ 65,391	$ 81,664
Interest Cost	60,146	73,298
Changes in Benefit Terms	-	-
Differences Between Expected and Actual Experience	-	(387,465)
Changes in Assumptions and Other Inputs	(197,857)	75,268
Benefit Payments	(18,638)	(15,633)
Net Change in Total OPEB Liability	(90,958)	(172,868)
Total OPEB Liability - Beginning	1,692,370	1,865,238
Total OPEB Liability - Ending	$ 1,601,412	$ 1,692,370
Covered Payroll Over Measurement Period	$ 354,822	$ 333,900
Total OPEB Liability as a Percentage of Covered Payroll	451.33%	506.85%

Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used in each period:

2019	4.10%
2018	3.44%

Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

SUPPLEMENTARY INFORMATION

ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

SCHEDULES OF REVENUES AND EXPENSES BY PROJECT
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

2019

	Gouverneur Industrial Park	Newton Falls Rail Repair	Potsdam Commerce Park	Canton Industrial Park	Canton Industrial Building
OPERATING REVENUES					
Rental Income	$ -	$ -	$ 19,250	$ -	$ 41,955
Grant Income	-	8,146	-	-	-
Total Income	-	8,146	19,250	-	41,955
OPERATING EXPENSES					
Insurance	44	-	3,449	948	4,886
Interest	-	7,883	-	-	8,534
Maintenance	1,975	-	3,420	-	4,885
Rehabilitation Project	-	8,146	-	-	-
Utilities	-	-	1,056	-	1,510
Total Operating Expenses	2,019	16,029	7,925	948	19,815
NON-OPERATING EXPENSES					
Depreciation	-	-	22,263	3,620	64,959
Total Expenses	2,019	16,029	30,188	4,568	84,774
Excess of Revenues Over Expenses	$ (2,019)	$ (7,883)	$ (10,938)	$ (4,568)	$ (42,819)

2018

	Gouverneur Industrial Park	Newton Falls Rail Repair	Potsdam Commerce Park	Canton Industrial Park	Canton Industrial Building
OPERATING REVENUES					
Rental Income	$ -	$ -	$ 43,410	$ -	$ 33,564
Grant Income	-	748,110	-	-	-
Total Income	-	748,110	43,410	-	33,564
OPERATING EXPENSES					
Insurance	42	-	3,303	904	4,753
Interest	-	11,250	-	-	8,974
Maintenance	1,800	-	4,587	-	4,840
Rehabilitation Project	-	748,110	-	-	-
Utilities	-	-	1,516	-	1,646
Total Operating Expenses	1,842	759,360	9,406	904	20,213
NON-OPERATING EXPENSES					
Depreciation	-	-	22,263	4,020	60,980
Total Expenses	1,842	759,360	31,669	4,924	81,193
Excess of Revenues Over Expenses	$ (1,842)	$ (11,250)	$ 11,741	$ (4,924)	$ (47,629)

See Independent Auditor's Report.

ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

SCHEDULES OF ADMINISTRATIVE OPERATING EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	12/31/2019	12/31/2018
OPERATING EXPENSES		
Salaries and Wages	$ 368,314	$ 354,822
Employee Benefits	128,337	128,547
Payroll Taxes	25,508	24,412
OPEB Expense	47,555	119,525
Accounting/Audit	7,500	5,938
Contracted Services	1,400	1,640
Data Processing Services	6,132	5,866
Depreciation	5,356	7,242
Insurance	8,479	8,158
Interest Expense	-	2,345
Legal Fees	8,048	14,597
Meetings	917	589
Miscellaneous	69	69
Office Supplies and Postage	11,496	5,115
Payroll Fees	1,825	1,569
Printing and Copying	1,655	1,623
Professional Associations	1,320	1,875
Rent and Maintenance	2,348	2,414
Subscriptions and Periodicals	366	370
Telephone	6,680	7,095
Utilities	4,528	4,939
Vehicle Repairs and Maintenance	2,600	1,466
Total Operating Expenses	$ 640,433	$ 700,216

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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*

Board of Directors
St. Lawrence County Industrial Development Agency

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the business-type activities of the St. Lawrence County Industrial Development Agency (Agency) as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated March 16, 2020.

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) 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 Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Pinto Mucenski Hooper VanHouse & Co.

Certified Public Accountants, P.C.
March 16, 2020