

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

**CONSOLIDATED FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION**

YEARS ENDED DECEMBER 31, 2020 AND 2019

**ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY -
LOCAL DEVELOPMENT CORPORATION (CONSOLIDATED)**

	<u>Pages</u>
Independent Auditor's Report	1 - 2
Financial Statements	
Statements of Financial Position December 31, 2020 and 2019	3
Statements of Activities for the Years Ended December 31, 2020 and 2019	4
Statements of Functional Expenses for the Years Ended December 31, 2020 and 2019	5
Statements of Cash Flows for the Years Ended December 31, 2020 and 2019	6
Notes to Financial Statements	7 - 20
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 <i>Government Auditing Standards</i>	21 - 22



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
St. Lawrence County Industrial Development Agency –
Local Development Corporation

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of the St. Lawrence County Industrial Development Agency – Local Development Corporation (SLCIDA-LDC) (a nonprofit organization) and affiliates, a component unit of St. Lawrence County, New York, which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of the SLCIDA-LDC and affiliates as of December 31, 2020 and 2019, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Reporting Required by *Government Auditing Standards*

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


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

March 26, 2021

**ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY -
LOCAL DEVELOPMENT CORPORATION (CONSOLIDATED)**

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

	12/31/2020	12/31/2019
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 310,055	\$ 284,770
Restricted Cash	8,551,020	8,008,226
Restricted Investments	1,799,735	1,784,046
Accounts Receivable	2,673	2,740
Accrued Interest Receivable	10,975	15,935
Due from Affiliate	129,926	129,926
Mortgages and Notes Receivable (Net of Allowance)	829,795	896,807
Capital Lease Receivable	19,802	19,253
Total Current Assets	11,653,981	11,141,703
Fixed Assets - Net	318,702	334,760
LONG-TERM ASSETS		
Mortgages and Notes Receivable - Net of Current Portion	3,966,778	4,743,560
Capital Lease Receivable - Net of Current Portion	345,886	360,832
Total Long-Term Assets	4,312,664	5,104,392
TOTAL ASSETS	\$ 16,285,347	\$ 16,580,855
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 16,457	\$ -
NET ASSETS		
Without Donor Restrictions	309,807	284,770
With Donor Restrictions	15,959,083	16,296,085
Total Net Assets	16,268,890	16,580,855
TOTAL LIABILITIES AND NET ASSETS	\$ 16,285,347	\$ 16,580,855

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

**ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY -
LOCAL DEVELOPMENT CORPORATION (CONSOLIDATED)**

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

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Totals	Without Donor Restrictions	With Donor Restrictions	Totals
SUPPORT AND REVENUE						
Interest Income - Banks	\$ 239	\$ 11,883	\$ 12,122	\$ 2,771	\$ 29,035	\$ 31,806
Interest Income - Loans/Leases	-	144,766	144,766	-	192,966	192,966
WIB Director Revenue	-	-	-	28,024	-	28,024
Rental Income	-	30,690	30,690	-	35,190	35,190
Application Fees	-	1,300	1,300	-	2,100	2,100
Late Payment Fees	-	840	840	-	1,344	1,344
Grant Income - Massena Electric	-	11,855	11,855	-	-	-
Unrealized Gain (Loss) on Investments	-	(9,119)	(9,119)	-	3,398	3,398
Realized Gain on Investments	-	25,996	25,996	-	24,686	24,686
Net Assets Released from Restrictions	555,213	(555,213)	-	669,741	(669,741)	-
Total Support and Revenue	555,452	(337,002)	218,450	700,536	(381,022)	319,514
EXPENSES						
Program Services	172,516	-	172,516	347,964	-	347,964
Management and General	405,899	-	405,899	383,065	-	383,065
Total Expenses	578,415	-	578,415	731,029	-	731,029
OTHER GAINS (LOSSES)						
Gain on Sale of Asset	-	-	-	-	112,065	112,065
Loan Conversion	-	-	-	-	(161,490)	(161,490)
Change in Bad Debt Allowance	48,000	-	48,000	(9,000)	-	(9,000)
Total Other Gains (Losses)	48,000	-	48,000	(9,000)	(49,425)	(58,425)
CHANGE IN NET ASSETS	25,037	(337,002)	(311,965)	(39,493)	(430,447)	(469,940)
Net Assets - Beginning of Year	284,770	16,296,085	16,580,855	324,263	16,726,532	17,050,795
Net Assets - End of Year	\$ 309,807	\$ 15,959,083	\$ 16,268,890	\$ 284,770	\$ 16,296,085	\$ 16,580,855

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

**ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY -
LOCAL DEVELOPMENT CORPORATION (CONSOLIDATED)**

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

	2020			2019		
	Program	Management and General	Totals	Program	Management and General	Totals
EXPENSES						
Accounting	\$ -	\$ 16,225	\$ 16,225	\$ -	\$ 15,775	\$ 15,775
Administration Fees	7,200	200,000	207,200	7,200	200,000	207,200
Advertising and Marketing	15,930	-	15,930	20,453	-	20,453
Bank Charges	-	275	275	-	371	371
Contractual	30,000	-	30,000	35,000	-	35,000
Community Development	91,517	-	91,517	216,983	-	216,983
Depreciation	16,058	-	16,058	23,646	-	23,646
Educational Workshop	378	-	378	250	-	250
Employee Benefits	-	879	879	-	710	710
Filing Fees	-	-	-	40	-	40
Insurance	7,929	1,056	8,985	7,728	1,795	9,523
Legal Expense	-	7,545	7,545	1,144	8,888	10,032
Maintenance	760	-	760	30,338	-	30,338
Meeting Expense	-	295	295	-	28	28
Mileage and Travel	27	-	27	953	-	953
Miscellaneous Expense	-	318	318	-	-	-
Office Supplies	-	374	374	-	192	192
Payroll Processing Fees	-	1,856	1,856	-	1,171	1,171
Payroll Taxes	-	13,800	13,800	-	12,101	12,101
Salaries	-	163,276	163,276	-	142,034	142,034
Underwriting/Credit Reports	957	-	957	1,860	-	1,860
Utilities	1,760	-	1,760	2,369	-	2,369
Total Expenses	<u>\$ 172,516</u>	<u>\$ 405,899</u>	<u>\$ 578,415</u>	<u>\$ 347,964</u>	<u>\$ 383,065</u>	<u>\$ 731,029</u>

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

**ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY -
LOCAL DEVELOPMENT CORPORATION (CONSOLIDATED)**

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

	12/31/2020	12/31/2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Interest	\$ 161,848	\$ 213,768
Cash Received from Building Rents	30,690	30,132
Cash Received from Others	14,062	35,027
Cash Paid to Employees for Wages and Benefits	(177,955)	(154,845)
Cash Paid to Others for Economic Development Projects	(91,517)	(216,983)
Cash Paid for Goods and Services	(276,430)	(337,482)
Net Cash Provided (Used) By Operating Activities	(339,302)	(430,383)
INVESTING ACTIVITIES		
Purchase of Investments	(2,798,811)	(3,064,919)
Proceeds from Sale of Investments	2,800,000	3,100,000
Payments Received on Capital Lease	14,398	69,916
Issuance of New Mortgages and Notes	(320,000)	(1,997,090)
Payments Received on Mortgages and Notes	1,211,794	1,920,126
Net Cash Provided (Used) By Investing Activities	907,381	28,033
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	568,079	(402,350)
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - Beginning of Year	8,292,996	8,695,346
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	\$ 8,861,075	\$ 8,292,996

**RECONCILIATION OF CASH, CASH EQUIVALENTS, AND RESTRICTED CASH
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statement of financial position that sum to the total of the same such amounts shown in the statement of cash flows.

	12/31/2020	12/31/2019
Cash and Cash Equivalents	\$ 310,055	\$ 284,770
Restricted Cash	8,551,020	8,008,226
Total cash, cash equivalents, and restricted cash shown in the statement of cash flows	\$ 8,861,075	\$ 8,292,996

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

**ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY -
LOCAL DEVELOPMENT CORPORATION (CONSOLIDATED)**

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Reporting Entity

The consolidated financial statements of the St. Lawrence County Industrial Development Agency Local Development Corporation (SLCIDA-LDC), which include the Greater Massena Economic Development Fund (GMEDF) (a nonprofit economic development loan fund), and the St. Lawrence River Valley Redevelopment Agency (SLRVRA) (a nonprofit organization) have been prepared on the accrual basis. Significant intercompany transactions and balances have been eliminated in the consolidation. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

The consolidated SLCIDA-LDC 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.

Financial Statement Presentation

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

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

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

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

Contributions

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

**ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY -
LOCAL DEVELOPMENT CORPORATION (CONSOLIDATED)**

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Nature of Operations

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

The SLCIDA-LDC also administers the assets of the Greater Massena Economic Development Fund (GMEDF) and the St. Lawrence River Valley Redevelopment Agency (SLRVRA).

The GMEDF was established in 1987 with a \$ 1,000,000 grant from the New York Power Authority to be used to provide loans to certain business enterprises for the establishment, maintenance, or expansion of plants, facilities or operations in the Town of Massena and the County of St. Lawrence in the State of New York. The New York Job Development Authority ("JDA") initially agreed to assume administrative responsibility for the GMEDF.

Accordingly, JDA held and invested all monies of the GMEDF, paid its bills and administered economic development loans. The GMEDF has no employees, and in accordance with the underlying agreement, JDA waived any reimbursement of administrative costs as its contribution to the GMEDF's program.

The GMEDF was a financial reporting component unit of JDA and, as such, its financial position and operating results were included in the JDA's financial statements. JDA was a component unit of New York State and, as such, its financial statements were included in the State of New York's financial statements.

In October 2000, the role of Trustee of the GMEDF was formally transferred by mutual agreement from JDA to the SLCIDA, effective June 30, 2001. The GMEDF was combined with the efforts and activities of the SLCIDA-LDC. The SLCIDA-LDC is a Not-For-Profit Corporation formed under the Not-For-Profit Corporation Law of the State of New York as defined in subparagraph (a)(5) of Section 402 of the Law. For tax reporting purposes, the accounts of the GMEDF were consolidated with those of the SLCIDA-LDC for joint reporting as a combined entity.

**ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY -
LOCAL DEVELOPMENT CORPORATION (CONSOLIDATED)**

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Nature of Operations (Continued)

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

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

The St. Lawrence County Local Development Corporation (SLC LDC) was a Not-For-Profit Corporation formed on January 27, 1977 for the purpose of relieving and reducing unemployment and to promote and provide for additional and maximum employment in the County. The SLC LDC performed several functions in promoting the furtherance of business in the County including the administration of federal and state grants for the purpose of providing maximum employment for its citizens.

Upon approval of the Supreme Court of the State of New York, an approved plan of dissolution commenced and on August 9, 2016, the assets and liabilities of the SLC LDC were acquired by the SLCIDA-LDC. At that time, the SLC LDC was officially dissolved.

In 2018 the SLCIDA-LDC entered into an agreement with the Town of Brasher to manage a revolving loan fund to promote and encourage small business growth in the Town of Brasher. A fund was set up with an initial allocation of \$ 100,000 from the Town of Brasher. At this time one loan has been made from the fund.

Use of Estimates

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

Cash and Cash Equivalents

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

**ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY -
LOCAL DEVELOPMENT CORPORATION (CONSOLIDATED)**

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Mortgages and Notes Receivable

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

Capital Assets

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

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

Net Assets With Donor Restrictions

The net assets with donor restrictions represent:

- The amount of the SLCIDA-LDC's Revolving Loan Fund created by St. Lawrence County to stimulate the growth of private sector industrial employment in St. Lawrence County, New York. The revolving loan fund provides financial assistance to applicants that: (1) wish to expand or to build new facilities; (2) must modernize their physical plant or equipment and machinery; and (3) require working capital funding to retain or expand their operations.
- Activities related to a \$ 16,000,000 grant for the SLRVRA from the New York Power Authority.
- The amount of the GMEDF which was created by a \$ 1,000,000 grant from the New York Power Authority to be used to provide loans to certain business enterprises for the establishment, maintenance, or expansion of plants, facilities or operations in the Town of Massena and the County of St. Lawrence in the State of New York.
- The Microenterprise Loan Fund which was created by a U.S. Department of Housing and Urban Development (HUD) grant whose purpose is to provide loans to certain qualified small business entities.
- The Brasher Revolving Loan Fund which was created by a grant from the Town of Brasher for the purpose of providing loans to promote and encourage small business growth in the Town of Brasher.

**ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY -
LOCAL DEVELOPMENT CORPORATION (CONSOLIDATED)**

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Assets With Donor Restrictions (Continued)

At December 31, 2020 and 2019, net assets with donor restrictions consisted of:

	12/31/2020	12/31/2019
Revolving Loan Fund	\$ 2,923,171	\$ 2,977,478
SLRVRA	10,006,784	10,293,133
GMEDF	2,643,016	2,642,675
Microenterprise Loan Fund	285,933	283,455
Brasher Revolving Loan Fund	100,179	99,344
Total	\$ 15,959,083	\$ 16,296,085

Income Taxes

The SLCIDA-LDC is duly established under Section 402 and 1411 of the Not-for-Profit Corporation Law of the State of New York. The SLCIDA-LDC is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. The GMEDF and SLRVRA are consolidated with the SLCIDA-LDC for information return reporting purposes.

Accounting principles generally accepted in the United States of America require management to evaluate all significant tax positions. As of December 31, 2020, the SLCIDA-LDC does not believe that it has taken any position that would require the recording of any tax liability or tax benefit.

Depreciation

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

Advertising and Marketing

The SLCIDA-LDC expenses advertising costs as they are incurred. Advertising expense for the years ended December 31, 2020 and 2019 was \$ 15,930 and \$ 20,453, respectively.

Allocation of Functional Expenses

Program expenses are activities that directly fulfill the mission of the SLCIDA-LDC. Management and general expenses are supporting activities that are not directly identifiable with a program. Expenses of the SLCIDA-LDC consist of costs related to the promotion of economic development, which includes the administration of revolving loan funds. Certain categories of expenses are attributable to economic development promotion and administrative support. These expenses include professional services and insurance. Professional services are allocated by the nature of the services provided while the type of covered risk determines the insurance allocation.

**ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY -
LOCAL DEVELOPMENT CORPORATION (CONSOLIDATED)**

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Pronouncement

On January 1, 2019, the SLCIDA-LDC adopted Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers* and all subsequent amendments to the ASU (collectively known as “ASC 606”), which creates a single framework for recognizing revenue from contracts with customers that fall within its scope. Analysis of various provisions of this standard resulted in no significant changes in the way the SLCIDA-LDC recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

NOTE 2 - RESTRICTED CASH

Restricted cash for the years ended December 31, 2020 and 2019 was \$ 8,551,020 and \$ 8,008,226, respectively. Monies are currently invested in accounts at Key Bank, NBT Bank, and Community Bank.

NOTE 3 - MORTGAGES AND NOTES RECEIVABLE

The entities carry their mortgages and notes receivable at cost recognizing interest income on the accrual basis as specified in the various note agreements. The entities evaluate the collectability of the mortgages and notes receivable and the Boards have established a loan loss reserve. The loan loss reserve at December 31, 2020 and 2019 was \$ 280,000 and \$ 328,000, respectively. For details of the mortgages and notes as of December 31, 2020 and 2019, see Note 7.

NOTE 4 - LOANS TO RELATED PARTIES

St. Lawrence County Industrial Development Agency - Canton Industrial Building Loan: On December 4, 2014 the SLCIDA closed a \$ 1,400,000 loan from the SLCIDA-LDC consisting of \$ 700,000 from the SLRVRA 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 SLCIDA mortgaged the property to the SLCIDA-LDC as security for the loan. The SLRVRA 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%. The balance due on the note receivable at December 31, 2020 and 2019 was \$ 1,072,721 and \$ 1,128,351, respectively.

St. Lawrence County Industrial Development Agency – Newton Falls Rail Rehabilitation Loan: On August 30, 2016, the SLRVRA loaned \$ 750,000 to the SLCIDA to provide gap funding necessary for rail project construction costs. This loan was paid in full during 2019.

NOTE 5 - LOANS WRITTEN OFF

No loans were written off during 2020 and 2019.

**ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY -
LOCAL DEVELOPMENT CORPORATION (CONSOLIDATED)**

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

NOTE 6 - COMMUNITY DEVELOPMENT ENVIRONMENTAL IMPROVEMENT PROJECTS

The SLRVRA made grant awards during the years 2011 through 2019 as part of its Community Development Environmental Improvement Program (CDEIP), as authorized by the June 2, 2010 contracts. The original grant award amounts and expenditures as of December 31, 2020 are as follows:

Date of Award	Grant Award	Expended			Total Expended	Balance of Grant Remaining
		Prior to 1900	0			
2011	\$ 522,553	\$ 522,553	\$ -	\$ -	\$ 522,553	\$ -
2012	556,694	556,694	-	-	556,694	-
2013	390,382	390,382	-	-	390,382	-
2014	415,152	401,625	13,527	-	415,152	-
2015	364,146	299,146	-	-	299,146	65,000
2016	493,640	229,660	70,880	-	300,540	193,100
2017	327,185	158,830	82,520	9,462	250,812	76,373
2018	100,000	14,235	37,112	35,000	86,347	13,653
2019	100,000	-	12,945	47,055	60,000	40,000
2020	100,000	-	-	-	-	100,000
Total	\$ 3,369,752	\$ 2,573,125	\$ 216,984	\$ 91,517	\$ 2,881,626	\$ 488,126

NOTE 7 - DETAILS OF MORTGAGES AND NOTES RECEIVABLE

Details of mortgages and notes receivable at December 31 2020 and 2019 are as follows (see next page):

**ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY -
LOCAL DEVELOPMENT CORPORATION (CONSOLIDATED)**

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

	Loan Fund	Date	Maturity	Interest Rate	Original Amount	Balance 2020	Balance 2019
AmTech	IDALDC	07/24/19	07/01/29	3.750%	\$ 200,000	\$ 180,544	\$ 192,675
Ansen	SLRVRA	03/04/16	03/01/26	2.625%	241,954	134,067	157,922
Atlantic Testing Lab.	SLRVRA	01/26/17	02/01/24	2.875%	218,160	112,061	135,265
BH Trailers	MICRO	01/12/18	02/01/23	3.250%	15,000	10,387	13,035
BlastBoss Inc.	SLRVRA	01/04/17	01/01/22	2.875%	78,050	17,882	33,901
Breggs Winery	IDALDC	07/26/18	08/01/23	3.500%	30,000	16,722	23,218
Canexsys	IDALDC	09/15/17	09/01/24	3.125%	150,000	89,664	105,261
Canexsys	SLRVRA	09/15/17	09/01/24	3.125%	150,000	89,664	105,261
Canexsys	GMEDF	09/15/17	09/01/24	3.125%	150,000	89,664	105,261
Clifton Fine Hospital	GMEDF	05/12/11	06/01/26	2.625%	150,000	62,204	72,610
City of Ogdensburg	SLRVRA	01/26/15	01/26/20	1.000%	23,532	-	803
Curran Renewable Energy	SLRVRA	03/16/16	03/01/23	3.500%	1,356,278	640,983	957,951
Curran Renewable Energy	IDALDC	12/31/12	12/31/27	2.650%	100,000	52,924	58,543
First Class Aire	GMEDF	09/12/14	09/01/29	3.625%	51,500	-	37,387
First Class Aire	SLRVRA	09/12/14	09/01/29	3.625%	51,500	-	37,387
Gilbert Holding's, Inc.	IDALDC	04/02/12	04/02/22	2.625%	50,000	13,261	15,586
Gordon's Frame to Finish	MICRO	05/31/12	05/31/17	4.000%	20,000	18,875	18,255
Hackett's - formerly Wisebuys	IDALDC	12/24/03	07/01/11	3.000%	235,000	49,447	51,895
High Peaks Winery	GMEDF	04/30/14	05/01/29	3.750%	36,500	23,273	25,384
High Peaks Winery	SLRVRA	04/30/14	05/01/29	3.750%	36,500	23,284	25,395
Hozmerica, LLC	SLRVRA	07/21/15	07/01/20	2.625%	17,500	-	2,127
JAPES Pet	MICRO	09/23/20	09/01/25	4.000%	20,000	19,983	-
Johnson Newspaper	IDALDC	12/20/19	12/01/24	3.750%	100,000	82,985	100,000
Kingston Pharma, LLC - Equip	SLRVRA	01/04/17	12/04/21	3.125%	95,553	35,279	57,786
Kingston Pharma, LLC	IDALDC	07/26/18	08/01/23	3.500%	75,000	46,890	60,378
Kingston Pharma, LLC	SLRVRA	07/26/18	08/01/23	3.500%	96,000	60,024	77,257
North American Forest Group	IDALDC	09/28/18	03/31/19	3.500%	400,000	365,235	381,145
North American Forest Group	SLRVRA	11/21/18	11/01/33	3.625%	100,000	91,395	95,339
North Country Dairy	SLRVRA	02/01/19	02/01/26	3.375%	800,000	606,019	714,953
North Country Dairy	IDALDC	02/01/19	02/01/26	3.375%	200,000	151,505	178,738
North Racquette Greenery	GMEDF	12/22/10	06/01/20	7.625%	50,000	-	5,342
Parker Maple Farm, Inc.	SLRVRA	02/28/19	09/01/24	3.750%	50,000	-	46,964
Parker Maple Farm, Inc.	IDALDC	02/28/19	09/01/24	3.750%	50,000	-	46,964
Pepsi-Cola Ogdensburg Bottlers	SLRVRA	11/21/19	12/01/24	3.375%	200,000	175,994	200,000
Potsdam Specialty Paper	IDALDC	06/02/17	08/01/31	3.125%	400,000	46,346	148,820
PSP, Inc.	IDALDC	05/01/19	05/01/22	3.750%	140,000	79,756	114,048
Pro Sport Trailer Mfg.	SLRVRA	06/12/19	10/01/24	3.750%	45,000	43,981	43,644
Pro Sport Trailer Mfg.	IDALDC	06/12/19	10/01/24	3.750%	45,000	30,799	43,644
Riverside Iron, LLC	GMEDF	06/27/14	07/01/24	3.750%	100,000	39,666	49,384
Riverside Iron, LLC	SLRVRA	06/27/14	07/01/24	3.750%	100,000	39,677	49,384
Russell's Grooming	BRASH	06/12/19	06/01/26	4.000%	30,000	26,049	29,031
Shades Tanning	MICRO	10/17/12	10/17/22	4.000%	20,000	17,701	17,682
Sharrow's Home Repair	MICRO	10/12/18	10/01/23	4.000%	20,000	13,785	16,460
SLC IDA CIB	SLRVRA	12/04/14	11/01/21	1.000%	700,000	504,439	537,844
SLC IDA CIB	IDALDC	12/04/14	11/01/44	0.500%	700,000	568,282	590,507
Structural Wood Corp	GMEDF	12/20/11	12/01/21	2.625%	150,000	18,148	34,486
Structural Wood Corp	SLRVRA	12/20/11	12/01/21	2.625%	150,000	18,149	34,486
Structural Wood Corp	SLRVRA	04/09/20	04/01/30	2.625%	300,000	282,322	-
Susan's Stitches	MICRO	12/07/12	12/07/17	4.000%	20,000	3,408	10,898
Swift Labs	SLRVRA	09/22/16	10/01/23	2.750%	30,000	16,096	17,189
Thew Associates	SLRVRA	11/05/18	11/01/23	3.675%	97,000	57,103	75,914
Waddington Auto Parts	MICRO	10/17/12	10/17/19	4.000%	20,000	10,651	11,120
Wright's Tool Sales	MICRO	10/02/15	09/01/20	4.000%	20,000	-	3,838
						<u>5,076,573</u>	<u>5,968,367</u>
						Less Allowance for Bad Debts (280,000)	(328,000)
						<u>\$4,796,573</u>	<u>\$ 5,640,367</u>

**ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY -
LOCAL DEVELOPMENT CORPORATION (CONSOLIDATED)**

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

NOTE 7 - DETAILS OF MORTGAGES AND NOTES RECEIVABLE (Continued)

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

December 31, 2021	\$	1,109,795
2022		874,131
2023		794,079
2024		528,861
2025		381,639
Thereafter		1,388,068
		<u>\$ 5,076,573</u>

NOTE 8 - INVESTMENTS

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

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

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

	12/31/2020	12/31/2018
Interest Income	\$ 3,438	\$ 9,741
Realized Gains (Losses)	25,996	24,686
Unrealized Gains (Losses)	(9,119)	3,398
	<u>\$ 20,315</u>	<u>\$ 37,825</u>

NOTE 9 - 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 SLCIDA-LDC 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.

**ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY -
LOCAL DEVELOPMENT CORPORATION (CONSOLIDATED)**

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

NOTE 9 - FAIR VALUE MEASUREMENTS (Continued)

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

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

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

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

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

NOTE 10 - FIXED ASSETS

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

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

**ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY -
LOCAL DEVELOPMENT CORPORATION (CONSOLIDATED)**

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

NOTE 11 - WORKFORCE DEVELOPMENT BOARD CONTRACT

The SLCIDA-LDC and the St. Lawrence County Workforce Development Board (SLC WDB) had a contract under which an SLCIDA-LDC staff member would serve as the SLC WDB's Executive Director for a predetermined, not-to-exceed fee. The agreement ended on August 31, 2019.

Revenue recorded for the year ended December 31, 2019 was \$ 28,024.

NOTE 12 - SUBSEQUENT EVENTS

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

NOTE 13 - RECOGNITION OF CERTAIN GRANT REVENUE AND EXPENDITURES

Occasionally the SLCIDA-LDC (the "grantee") applies for and receives grants from government agencies and other organizations. These grants are usually "reimbursement grants", i.e., the monies from the grant are only paid to the grantee as reimbursements after the grantee has documented to the grantor that the grantee has achieved defined benchmarks, paid out required funds, and otherwise complied with all other required grant conditions. Projects in which such grants are involved often span several fiscal years and long delays in the reimbursement process are frequent. Consequently, in cases involving reimbursement grants, the grantee 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 grantee does not accrue any expenses or payables associated with items to be paid out for future grant reimbursement until the grantee is satisfied that it has complied with all grant reimbursement eligibility requirements. These items are usually paid out in the subsequent period and will be recorded as project expenses. As of December 31, 2020, there were no active grants of this nature.

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

**ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY -
LOCAL DEVELOPMENT CORPORATION (CONSOLIDATED)**

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

NOTE 14 - LONG-TERM LEASES

The SLCIDA-LDC entered into a long-term lease with Fockler Industries, LLC which commenced on November 1, 2015. Monthly lease payments are currently \$ 2,558. Total minimum future rents to be received will be \$ 23,022 for 2021.

NOTE 15 - CAPITAL LEASE (LEASE-PURCHASE AGREEMENTS)

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

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

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

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

NOTE 16 - CONCENTRATION OF CREDIT RISK

At December 31, 2020, the consolidated entities had bank balances totaling \$ 8,875,350, with a carrying value of \$ 8,861,075. A combination of federal depository insurance and securities pledged and held by the banks fully covered these bank balances.

**ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY -
LOCAL DEVELOPMENT CORPORATION (CONSOLIDATED)**

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

NOTE 17 - LIQUIDITY AND AVAILABILITY

The SLCIDA-LDC has \$ 310,055 of cash available within one year of the balance sheet date to meet cash needs for general expenditure. None of the cash is subject to donor or other contractual restrictions.

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

	<u>12/31/2020</u>	<u>12/31/2019</u>
Cash and Cash Equivalents	\$ 2,421,015	\$ 2,285,845
Accrued Interest Receivable	545	710
Due from Affiliate	-	42,767
Mortgages and Notes Receivable (Net)	<u>49,543</u>	<u>51,184</u>
Total	<u>\$ 2,471,103</u>	<u>\$ 2,380,506</u>

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

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

Certain financial assets of the SLCIDA-LDC operated under various revolving loan funds are subject to the terms and restrictions as more fully described in Note 1. The financial assets available within one year of the balance sheet date subject to these restrictions are as follows:

	<u>12/31/2020</u>	<u>12/31/2019</u>
Cash and Cash Equivalents	\$ 1,383,134	\$ 1,158,438
Accrued Interest Receivable	4,026	4,938
Due from Affiliate	129,926	87,159
Mortgages and Notes Receivable (Net)	<u>264,424</u>	<u>367,693</u>
Total	<u>\$ 1,781,510</u>	<u>\$ 1,618,228</u>

**ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY -
LOCAL DEVELOPMENT CORPORATION (CONSOLIDATED)**

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

NOTE 18 - RELATED PARTY TRANSACTIONS

The SLCIDA-LDC is related to the following entities:

- St. Lawrence County Industrial Development Agency (SLCIDA)
– Common Board Membership, Officers, and Program Administrative Agreements
- St. Lawrence County Industrial Development Agency-Civic Development Corporation (SLCIDA-CDC)
– Common Board Membership, Officers, and Management Agreements
- St. Lawrence County Property Development Corporation (SLCPDC)
– Common Board Membership, Officers, Management Agreements, and Intercompany Receivables

Information on loans made to SLCIDA can be found in Note 4 and Note 7 of these financial statements.

Administrative fees paid to SLCIDA by SLCIDA-LDC totaled \$ 207,200 for both 2020 and 2019.

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

Management fees paid to SLCIDA-LDC by SLCIDA-CDC totaled \$ 6,336 and \$ 6,191 for 2020 and 2019, respectively.

Management fees paid to SLCIDA-LDC by SLCPDC totaled \$ 6,336 and \$ 6,191 for 2020 and 2019, respectively.

The Due from Affiliate balance of \$ 129,926 on the statement of financial position represents an amount due from the SLCPDC.

NOTE 19 - RECLASSIFICATIONS

Certain amounts in the 2019 financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors
St. Lawrence County Industrial Development Agency –
Local Development Corporation

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 consolidated financial statements of the St. Lawrence County Industrial Development Agency – Local Development Corporation (SLCIDA-LDC) (a nonprofit organization), which includes the Greater Massena Economic Development Fund (GMEDF) (a nonprofit economic development loan fund) and the St. Lawrence River Valley Redevelopment Agency (SLRVRA) (a nonprofit organization), which comprise the consolidated statement of financial position as of December 31, 2020, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 26, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the consolidated financial statements, we considered the SLCIDA-LDC'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 consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the SLCIDA-LDC's internal control. Accordingly, we do not express an opinion on the effectiveness of the SLCIDA-LDC'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-LDC's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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


Certified Public Accountants, P.C.

March 26, 2021