

**ST. LAWRENCE COUNTY  
INDUSTRIAL DEVELOPMENT AGENCY**

**FINANCIAL STATEMENTS  
AND SUPPLEMENTARY INFORMATION  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
St. Lawrence County Industrial Development Agency

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of 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, 2021 and 2020, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

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, 2021 and 2020, and the changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Agency and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Agency's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on Pages 4 through 8, and the schedules on Pages 34 and 35, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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

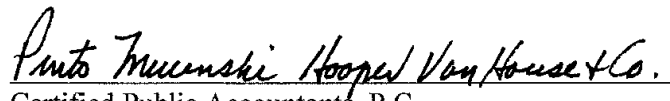
or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The accompanying schedules on Pages 37 and 38 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 on Pages 37 and 38 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 28, 2022, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

  
Certified Public Accountants, P.C.

March 28, 2022

## 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, 2021. Please read it in conjunction with the Agency's financial statements.

### HIGHLIGHTS

#### Financial Highlights

- Total Assets and Deferred Outflows increased by \$ 883,166 primarily due to an increase in cash and deferred outflows from other post employment benefits.
- Total Liabilities and Deferred Inflows of Resources increased by \$ 93,412 primarily due to an increase in post employment benefits other than pension liabilities offset by a decrease in long-term debt.

#### Agency Highlights

- March 2021. The Agency conducted its annual reviews of the Compensation, Reimbursement, and Attendance Policies. The Agency also conducted annual reviews of the Report of Property, Whistleblower Policy, Defense and Indemnification Policy and reviewed its Code of Ethics. The Agency accepted the FY2020 Audit, authorized updates to the Personnel Guidelines and authorized a project with Atlantic Testing Laboratories, Limited. Projects were also authorized for Black Water Solar Partners, Royal Solar Partners, and Ruler Solar Partners.
- April 2021. The Agency authorized Modifications to the FY2020 Budget and accepted approving resolutions for the following solar projects: Madrid Solar 1, Madrid Solar 2, Stockholm Solar, Waddington Solar, Oswegatchie Solar, and RPNY Solar 1.
- August 2021. The Agency passed a resolution in support of the continued operation of the New York State Correctional Facilities in St. Lawrence County.
- October 2021. The Agency adopted its FY2022 Tentative Budget and authorized a Standard Workday Reporting resolution. The Agency also accepted approving resolutions for the following solar projects: GSPP 409 Ferris Road, GSPP 641 Ferris Road East, GSPP 641 Ferris Road West, Wadham's Solar, and Heuvelton Solar. The Agency also approved the Final FY2022 Budget.
- November 2021. The Agency authorized a Three-Year Audit Services Contract and approved a project authorizing resolution for Corning Incorporated (2021 Canton Plant Expansion Forming & Manufacturing Project).
- December 2021. The Agency reviewed and accepted its Conflicts of Interest Policy, Procurement Policy, Sexual Harassment Policy, and Investment Policy. The Agency authorized an approving resolution for the TJA-NY-1454-CR 15 Oswegatchie solar project.

## 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, liabilities and deferred inflows of resources, and the remaining 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 *Statement 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 34 and 35 is for additional analysis only.

**Other Supplementary Information.** In addition to the basic financial statements and accompanying notes, this section 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 \$ 5,336,951 as of December 31, 2021.

The Agency's financial position is the product of several financial transactions including the net results of activities, the payment of debt, the 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, 2021 and 2020.

**Table 1**

	<u>2021</u>	<u>2020</u>	<u>Increase/ (Decrease)</u>	<u>Percentage Change</u>
Current Assets	\$ 5,982,868	\$ 5,312,676	\$ 670,192	12.61%
Capital Assets, Net	2,125,932	2,199,792	(73,860)	-3.36%
Other Assets	<u>773,138</u>	<u>936,301</u>	<u>(163,163)</u>	-17.43%
Total Assets	8,881,938	8,448,769	433,169	5.13%
Deferred Outflows of Resources	<u>1,061,911</u>	<u>611,914</u>	<u>449,997</u>	73.54%
Total Assets and Deferred Outflows of Resources	<u>\$ 9,943,849</u>	<u>\$ 9,060,683</u>	<u>\$ 883,166</u>	9.75%
Current Liabilities	\$ 449,039	\$ 443,054	\$ 5,985	1.35%
Long-Term Liabilities	<u>3,313,249</u>	<u>3,506,280</u>	<u>(193,031)</u>	-5.51%
Total Liabilities	3,762,288	3,949,334	(187,046)	-4.74%
Deferred Inflows of Resources	<u>844,610</u>	<u>564,152</u>	<u>280,458</u>	49.71%
Total Liabilities and Deferred Inflows of Resources	<u>4,606,898</u>	<u>4,513,486</u>	<u>93,412</u>	2.07%
Net Position				
Net Investment in Capital Assets	1,579,985	1,127,071	452,914	40.19%
Unrestricted - Assigned	2,000,000	2,000,000	-	0.00%
Unrestricted - Unassigned	<u>1,756,966</u>	<u>1,420,126</u>	<u>336,840</u>	23.72%
Total Net Position	<u>5,336,951</u>	<u>4,547,197</u>	<u>789,754</u>	17.37%
Total Liabilities, Deferred Inflows of Resources, and Net Position	<u>\$ 9,943,849</u>	<u>\$ 9,060,683</u>	<u>\$ 883,166</u>	9.75%

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, 2021 and 2020.

**Table 2**

	<u>2021</u>	<u>2020</u>	<u>Increase/ (Decrease)</u>	<u>Percentage Change</u>
<b>Revenues</b>				
Industrial Development Project Revenue	\$ 197,069	\$ 176,080	\$ 20,989	11.92%
Other Revenue	<u>1,644,149</u>	<u>751,921</u>	<u>892,228</u>	118.66%
Total Revenues	<u>1,841,218</u>	<u>928,001</u>	<u>913,217</u>	98.41%
<b>Expenses</b>				
Industrial Development Project Expenses	213,862	602,732	(388,870)	-64.52%
Administrative Expenses	<u>837,602</u>	<u>766,476</u>	<u>71,126</u>	9.28%
Total Expenses	<u>1,051,464</u>	<u>1,369,208</u>	<u>(317,744)</u>	-23.21%
<b>Increase/(Decrease) in Net Position</b>	<u>\$ 789,754</u>	<u>\$ (441,207)</u>	<u>\$ 1,230,961</u>	279.00%



Changes in the Agency's Capital Assets can be determined by reviewing the following condensed Statement for the fiscal years ended December 31, 2021 and 2020.

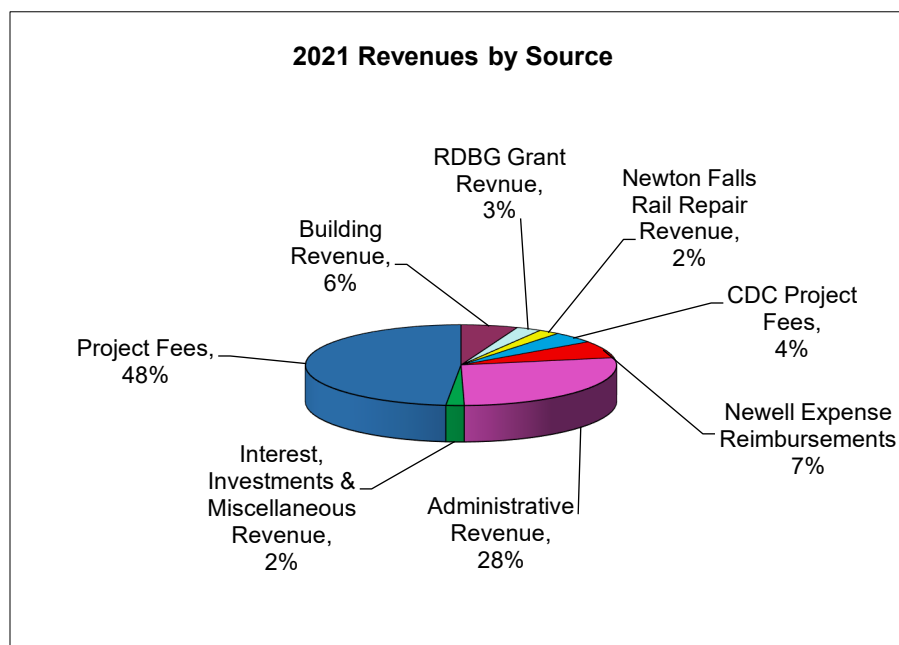
**Table 3**

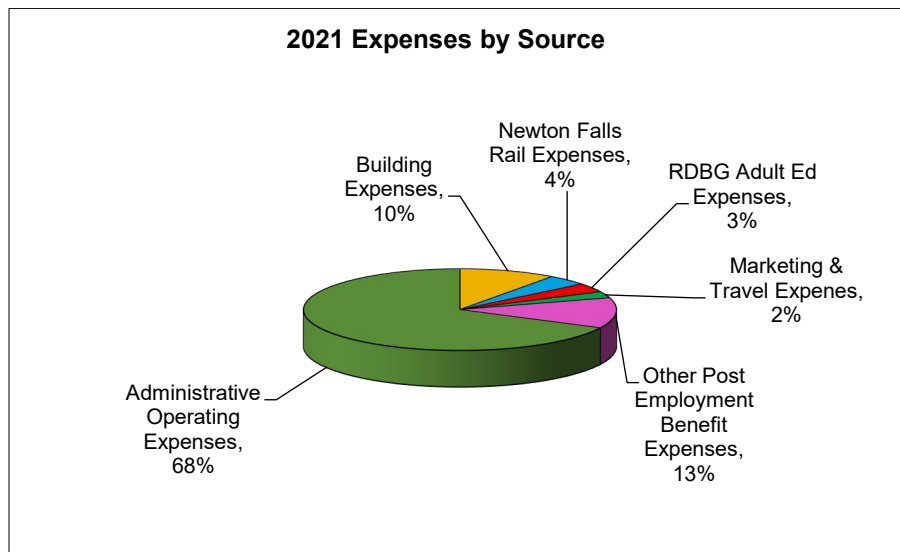
<b><u>Capital Assets (net of depreciation)</u></b>	<b><u>Beginning</u></b>	<b><u>Ending</u></b>	<b><u>Increase/ (Decrease)</u></b>	<b><u>Percentage Change</u></b>
Land - Non-Depreciable	\$ 206,750	\$ 206,750	\$ -	0.00%
Land Improvements - Non-Depreciable	251,593	251,593	-	0.00%
Buildings & Improvements	1,737,551	1,667,589	(69,962)	-4.03%
Automobiles	3,898	-	(3,898)	-100.00%
Equipment and Furnishings	-	-	-	0.00%
	<u>\$ 2,199,792</u>	<u>\$ 2,125,932</u>	<u>\$ (73,860)</u>	-3.36%

Changes in the Agency's Long-Term Debt can be determined by reviewing the following condensed Statement for the fiscal years ended December 31, 2021 and 2020.

**Table 4**

<b><u>Outstanding Long-Term Debt</u></b>	<b><u>Beginning</u></b>	<b><u>Ending</u></b>	<b><u>Increase/ (Decrease)</u></b>	<b><u>Percentage Change</u></b>
SLCIDA-SLRVRA	\$ 504,439	\$ -	\$ (504,439)	-100.00%
SLCIDA-LDC	568,282	545,947	(22,335)	-3.93%
Compensated Absences	247,883	296,629	48,746	19.66%
Net Pension Liability	368,736	1,288	(367,448)	-99.65%
OPEB	<u>1,873,017</u>	<u>2,491,833</u>	<u>618,816</u>	33.04%
	<u>\$ 3,562,357</u>	<u>\$ 3,335,697</u>	<u>\$ (226,660)</u>	-6.36%





### **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, 2021 AND 2020**

	12/31/2021	12/31/2020
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	\$ 3,791,369	\$ 2,136,133
Cash - Security Deposits	9,057	9,055
Cash - Special Reserve	1,001,214	290
Investments - Special Reserve	998,786	1,999,710
Accounts Receivable	9,051	23,489
Accrued Interest Receivable	8,124	2,297
Due from Other Governments	-	1,000,000
Grants Receivable	-	19,000
Leases Receivable	55,410	15,067
Capital Leases Receivable	109,857	106,359
Prepaid Expenses	-	1,276
Total Current Assets	<u>5,982,868</u>	<u>5,312,676</u>
<b>Long-Term Assets</b>		
Capital Assets		
Nondepreciable	458,343	458,343
Depreciable, Net of Accumulated Depreciation	1,667,589	1,741,449
Leases Receivable, Net of Current Portion	-	50,388
Capital Leases Receivable, Net of Current Portion	<u>773,138</u>	<u>885,913</u>
Total Long-Term Assets	<u>2,899,070</u>	<u>3,136,093</u>
Total Assets	<u>8,881,938</u>	<u>8,448,769</u>
<b>Deferred Outflows of Resources</b>		
Pension	314,184	270,971
Other Post Employment Benefits	<u>747,727</u>	<u>340,943</u>
Total Deferred Outflows of Resources	<u>1,061,911</u>	<u>611,914</u>
<b>Total Assets and Deferred Outflows of Resources</b>	<u>\$ 9,943,849</u>	<u>\$ 9,060,683</u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts Payable and Accrued Expenses	\$ 8,880	\$ 23,429
Rental and Refundable Deposits	9,057	9,055
Deferred Revenue and Grant Advances	408,654	354,493
Long Term Debt - Current Portion	<u>22,448</u>	<u>56,077</u>
Total Current Liabilities	<u>449,039</u>	<u>443,054</u>
<b>Long-Term Liabilities</b>		
Compensated Absences	296,629	247,883
Postemployment Benefits Other Than Pensions	2,491,833	1,873,017
Long Term Debt - Less Current Portion	523,499	1,016,644
Net Pension Liability - Proportionate Share	<u>1,288</u>	<u>368,736</u>
Total Long-Term Liabilities	<u>3,313,249</u>	<u>3,506,280</u>
Total Liabilities	<u>3,762,288</u>	<u>3,949,334</u>
<b>Deferred Inflows of Resources</b>		
Pension	395,533	29,690
Other Post Employment Benefits	<u>449,077</u>	<u>534,462</u>
Total Deferred Outflows of Resources	<u>844,610</u>	<u>564,152</u>
<b>NET POSITION</b>		
Net Investment in Capital Assets	1,579,985	1,127,071
Unrestricted - Assigned	2,000,000	2,000,000
Unrestricted - Unassigned	<u>1,756,966</u>	<u>1,420,126</u>
Total Net Position	<u>5,336,951</u>	<u>4,547,197</u>
<b>Total Liabilities, Deferred Outflows of Resources, and Net Position</b>	<u>\$ 9,943,849</u>	<u>\$ 9,060,683</u>

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, 2021 AND 2020**

	<u>12/31/2021</u>	<u>12/31/2020</u>
<b>REVENUES</b>		
Program Revenues		
Newton Falls Rail Repair Grants	\$ 40,364	\$ 108,160
Canton Industrial Building Rent	108,660	17,054
Lease Interest Income	31,798	36,078
Bank Interest Income	6,673	377
USDA Rural Business Grants	48,045	34,067
J & L Project Grant	-	16,799
Administration Fees	507,200	457,200
CDC Project Fees	83,431	13,625
Project Fees	891,991	182,000
Insurance and Expense Reimbursements	126,699	-
Miscellaneous Income	1,546	2,000
Gain on Sale of Fixed Assets	-	47,757
Realized Gain (Loss) on Investments	680	36,424
Unrealized Gain (Loss) on Investments	<u>(5,869)</u>	<u>(23,540)</u>
Total Revenues	<u>1,841,218</u>	<u>928,001</u>
<b>EXPENSES</b>		
Program Expenses		
Gouverneur Industrial Park	2,794	2,794
Newton Falls Rail Repair	44,069	107,010
Canton Industrial Park	3,700	3,502
Canton Industrial Building	98,628	93,805
J & L Project Expense	-	14,205
Newell Building Project Expense	-	334,494
Other Program Expenses	64,671	46,922
Administrative Operating Expenses	<u>837,602</u>	<u>766,476</u>
Total Expenses	<u>1,051,464</u>	<u>1,369,208</u>
<b>Change in Net Position</b>	789,754	(441,207)
<b>Net Position - Beginning of Year</b>	<u>4,547,197</u>	<u>4,988,404</u>
<b>Net Position - End of Year</b>	<u><u>\$ 5,336,951</u></u>	<u><u>\$ 4,547,197</u></u>

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, 2021 AND 2020**

	12/31/2021	12/31/2020
<b>Cash Flows from Operating Activities</b>		
Cash Received from Others for Services and Grants	\$ 1,928,179	\$ 2,830,560
Cash Paid for Goods and Services	(221,690)	(725,763)
Cash Paid for Employee Services	(443,608)	(369,321)
Cash Paid for Employee Benefits	(195,004)	(163,002)
Net Cash Provided (Used) By Operating Activities	<u>1,067,877</u>	<u>1,572,474</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of Investments	(2,504,263)	(4,491,133)
Proceeds from Sale of Investments	3,499,998	4,500,000
Payments Received on Leases	119,322	115,940
Net Cash Provided (Used) By Investing Activities	<u>1,115,057</u>	<u>124,807</u>
<b>Cash Flows from Capital and Financing Activities</b>		
Purchase of Property and Equipment	-	(27,784)
Payments Received from Other Governments	1,000,000	300,000
Payments Made on Long-Term Debt	(526,774)	(805,630)
Net Cash Provided (Used) By Financing Activities	<u>473,226</u>	<u>(533,414)</u>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	2,656,160	1,163,867
<b>CASH AND CASH EQUIVALENTS - Beginning of Year</b>	<u>2,136,423</u>	<u>972,556</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 4,792,583</u></u>	<u><u>\$ 2,136,423</u></u>
<b>Reconciliation of Net Income to Net Cash</b>		
<b>Provided by Operating Activities</b>		
Change in Net Position	\$ 789,754	\$ (441,207)
<b>Adjustments to Reconcile Change in Net Position to</b>		
<b>Net Cash Provided By Operating Activities</b>		
Depreciation	73,860	74,553
(Gains) Losses on Investments	5,189	(12,884)
(Gains) Losses on Sale of Fixed Assets	-	(47,757)
Changes in Operating Assets and Liabilities		
Accounts Receivable	14,438	(18,172)
Accrued Interest Receivable	(5,827)	(2,003)
Grants Receivable	19,000	1,709,405
Prepaid Expenses	1,276	645
Accrued Expenses - Other	(14,549)	(124,490)
Deferred Revenue and Grant Advances	54,161	273,970
Compensated Absences	48,746	34,315
Postemployment Benefits	618,816	271,605
Net Pension Liability	(367,448)	265,075
Net Pension Deferred Outflows/Inflows	322,630	(207,465)
Net OPEB Deferred Outflows/Inflows	<u>(492,169)</u>	<u>(203,116)</u>
Net Cash Provided (Used) By Operating Activities	<u><u>\$ 1,067,877</u></u>	<u><u>\$ 1,572,474</u></u>

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

# ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

### 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.

**ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**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:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
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 and Grant Advances**

The Agency recognizes revenue when it is earned. The Agency will sometimes receive grant funds prior to the expenditure of grant expenses. This results in the recording of deferred revenue/grant advances until such expenditures are made.

**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.

# ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

## NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

### 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.



ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

**Budgetary Procedures and Budgetary Accounting**

The Agency administration prepares a proposed budget for operations annually 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, 2022 through March 28, 2022, the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements. There were no events or transactions that existed which would provide additional pertinent information about conditions at the balance sheet date required to be recognized or disclosed in the accompanying financial statements.

NOTE 2 - 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 \$ 1,579,985 and \$ 1,127,071 invested in capital assets, net of related debt as of December 31, 2021 and 2020, respectively.

**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, 2021 and 2020, respectively.

ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 2 - NET POSITION CLASSIFICATION (Continued)

**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 \$ 1,756,964 and \$ 1,420,126 as of December 31, 2021 and 2020, respectively. The assigned net position was \$ 2,000,000 for both December 31, 2021 and 2020. 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 of 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. Resources must be deposited in FDIC insured commercial banks or trust companies located within the State. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance.

New York State law governs the Agency's investment policies. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities. Investments are stated at fair value.

NOTE 4 - INVESTMENTS

Investments as of December 31, 2021 and 2020 are carried at fair value and consist of the following:

	<u>12/31/2021</u>	<u>12/31/2020</u>
Municipal Notes	\$ 998,786	\$ -
United States Treasury Bills	-	1,999,710
	<u>\$ 998,786</u>	<u>\$ 1,999,710</u>

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

	<u>12/31/2021</u>	<u>12/31/2020</u>
Bank Interest Income	\$ 6,189	\$ -
Realized Gains (Losses)	680	36,424
Unrealized Gains (Losses)	(5,869)	(23,540)
	<u>\$ 1,000</u>	<u>\$ 12,884</u>

ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

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, 2021 and 2020 that are measured at fair value on a recurring basis. Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurements.

	<b>Quoted Prices in Active Markets (Level 1)</b>	
	<u>12/31/2021</u>	<u>12/31/2020</u>
Municipal Notes	\$ 998,786	\$ -
United States Treasury Bills	<u>-</u>	<u>1,999,710</u>
	<u>\$ 998,786</u>	<u>\$ 1,999,710</u>

The Agency has no investments that are valued using either Level 2 or Level 3 inputs as of December 31, 2021 and 2020.

**ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 6 - LEASES RECEIVABLE**

The Agency carries leases receivable at cost. Balances at December 31, 2021 and 2020 are as follows:

<u>Note Receivable</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Original Amount</u>	<u>Balance</u>	
				<u>2021</u>	<u>2020</u>
LC Drives Corp. (RDBG)	0.000%	09/01/2024	\$ 47,621	\$ 20,976	\$ 25,511
LC Drives Corp. (RDBG)	0.000%	10/01/2025	57,850	<u>34,434</u>	<u>39,944</u>
				<u>\$ 55,410</u>	<u>\$ 65,455</u>

LC Drives Corp. ceased operations in 2021. The lease amounts above have been moved into the current asset category as of December 31, 2021 pending collection activities.

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, 2021 and 2020 are as follows:

<u>Capital Leases</u>	<u>Original Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance</u>	
					<u>2021</u>	<u>2020</u>
Op-Tech	07/01/09	05/11/24	2.625%	\$ 540,000	\$ 105,212	\$ 146,028
New York Power Tools	07/01/17	06/30/27	3.000%	350,000	197,153	232,923
From the Heart Cabinetry	01/01/20	12/31/36	3.750%	645,140	<u>580,630</u>	<u>613,321</u>
					<u>\$ 882,995</u>	<u>\$ 992,272</u>

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

December 31, 2022	\$ 109,857
2023	112,763
2024	92,494
2025	74,644
2026	77,203
Thereafter	<u>416,034</u>
	<u>\$ 882,995</u>

**ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 8 - CAPITAL ASSETS**

Capital asset balances and activity for the year ended December 31, 2021 is as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
Nondepreciable				
Land	\$ 206,750	\$ -	\$ -	\$ 206,750
Land Improvements	<u>251,593</u>	<u>-</u>	<u>-</u>	<u>251,593</u>
Total nondepreciable cost	<u>458,343</u>	<u>-</u>	<u>-</u>	<u>458,343</u>
Depreciable				
Building and Improvements	2,214,966	-	-	2,214,966
Automobiles	39,560	-	-	39,560
Office Equipment and Furnishings	<u>25,880</u>	<u>-</u>	<u>-</u>	<u>25,880</u>
Total depreciable cost	2,280,406	-	-	2,280,406
Less accumulated Depreciation	<u>538,957</u>	<u>73,860</u>	<u>-</u>	<u>612,817</u>
Total depreciable cost, net	<u>1,741,449</u>			<u>1,667,589</u>
 Total capital assets cost, net	 <u>\$ 2,199,792</u>			 <u>\$ 2,125,932</u>

Depreciation expense was charged to activities as follows:

	<u>2021</u>	<u>2020</u>
Canton Industrial Building	\$ 67,208	\$ 67,208
Canton Industrial Park	<u>2,754</u>	<u>2,554</u>
Total Depreciation Charged to Activities	69,962	69,762
 Administrative Operating	 <u>3,898</u>	 <u>4,791</u>
Total Depreciation Expense	<u>\$ 73,860</u>	<u>\$ 74,553</u>

**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.

## ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021

#### 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). This is a cost-sharing multiple-employer retirement system. The System provides retirement benefits, as well as, death and disability benefits. 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 plan 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. System benefits are established under the provisions of the New York State Retirement and Social Security Law (NYSRSSL). 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, including information with regard to benefits provided, may be found at [www.osc.state.ny.us/retire/publications/index.php](http://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.

##### Funding Policies

The system is noncontributory except for employees who joined 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 who generally contribute 3 to 3.5 percent of their salary for their entire length of service. In addition, employee contribution rates under ERS Tier VI vary based on a sliding salary scale. 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.

**ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 10 - PENSION PLANS (Continued)**

**Funding Policies (Continued)**

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

2021	\$ 52,812
2020	\$ 50,398
2019	\$ 49,700

**Pension Liabilities/(Assets), Pension Expense/(Credit), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At December 31, 2021, the Agency reported a liability of \$ 1,288 for its proportionate share of the net pension liability. The net pension liability was measured as of March 31, 2021. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation. The Agency's proportion of the net pension liability is based on a projection of the Agency's long-term share of contributions to the System relative to the projected contributions of all participating members, actuarially determined. This information was provided by the ERS System in reports provided to the Agency.

Actuarial Measurement Date	3/31/2021
Net Pension Liability/(Asset)	\$ 1,288
Agency's Portion of the Plan's Total Net Pension Liability/(Asset)	.0012940%

For the year ended December 31, 2021, the Agency recognized pension expense of \$ 16,521. At December 31, 2021, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between Expected and Actual Experience	\$ 15,736	\$ -
Change of Assumptions	236,911	4,468
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	370,129
Changes in Proportion and Differences between Employer Contribution and Proportionate Share of Contributions	196	20,936
Employer Contributions Subsequent to the Measurement Date	<u>61,341</u>	<u>-</u>
Total	<u>\$ 314,184</u>	<u>\$ 395,533</u>

ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 10 - PENSION PLANS (Continued)

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

The \$ 61,341 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense (income) as follows:

December 31, 2022	\$ (30,622)
2023	(14,236)
2024	(24,229)
2025	<u>(73,603)</u>
	<u>\$ (142,690)</u>

**Actuarial Assumptions**

The total pension liability at March 31, 2021 was determined by using an actuarial valuation as of April 1, 2020, with updated procedures to roll forward the total pension liability to March 31, 2021. The actuarial valuation used the following actuarial assumptions:

	<u>2021 ERS</u>	<u>2020 ERS</u>
Inflation	2.7%	2.5%
Salary Increases	4.4%	4.5%
Investment Rate of Return		
(Net of investment expense, including inflation)	5.9%	6.8%
Cost-of-Living Adjustments	1.4%	1.3%

Annuitant mortality rates are based on April 1, 2015 – March 31, 2020 System experience with adjustments for mortality improvements based on the Society of Actuaries' Scale MP-2020. The previous actuarial valuation as of April 1, 2019 used April 1, 2010 – March 31, 2015 System experience, mortality improvements based on the Society of Actuaries' Scale MP-2018.

The actuarial assumptions used in the April 1, 2020 valuation are based on the results of an actuarial experience study for the period April 1, 2015 – March 31, 2020.

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.



**ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**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, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Domestic Equity	32.0%	4.05%
International Equity	15.0%	6.30%
Private Equity	10.0%	6.75%
Real Estate	9.0%	4.95%
Opportunistic/ARS Portfolio	3.0%	4.50%
Credit	4.0%	3.63%
Real Assets	3.0%	5.95%
Fixed Income	23.0%	0.00%
Cash	1.0%	0.50%
	<u>100.00%</u>	

The real rate of return is net of the long-term inflation assumption of 2.0%.

***Discount Rate***

The discount rate used to calculate the total pension liability was 5.9%. 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/(Asset) 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 5.9%, 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 (4.9%) or one percentage-point higher (6.9%) than the current assumption:

	<u>1 Percent Decrease (4.9%)</u>	<u>Current Assumption (5.9%)</u>	<u>1 Percent Increase (6.9%)</u>
Agency's Proportionate Share of the Net Pension Liability/(Asset)	\$ 357,634	\$ 1,288	\$ (327,346)

ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021

NOTE 10 - PENSION PLANS (Continued)

Actuarial Assumptions (Continued)

*Pension Plan Fiduciary Net Position*

The components of the current-year net pension liability of the employers participating in the System as of March 31, 2021, were as follows:

	Employees' <u>Retirement System</u> (dollars in thousands)
Employers' total pension liability	\$ 220,680,157
Fiduciary plan net position	<u>220,580,583</u>
Employers' net pension liability	<u>\$ 99,574</u>
Ratio of fiduciary net position to the Employers' total pension liability	99.95%

**Payables to the Pension Plan**

Employer contributions are paid annually based on the System's fiscal year which ends on March 31<sup>st</sup>. Accrued retirement contributions as of December 31, 2021 represent the projected employer contribution for the period of April 1, 2021 through December 31, 2021 based on paid ERS wages multiplied by the employer's contribution rate, by tier. Accrued retirement contributions as of December 31, 2021 amounted to \$ 61,341.

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 GASB 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.

**ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

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

**General Information about the OPEB Plan (Continued)**

At December 31, 2021, the following employees were covered by the benefit terms:

Retirees and Survivors	1
Terminated Vested Employees	-
Active Employees	<u>5</u>
Total	<u><u>6</u></u>

**Total OPEB Liability**

The Agency's total OPEB liability of \$ 2,491,833 was measured as of January 1, 2021, and was determined by an actuarial valuation as of January 2, 2020.

The total OPEB liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Rate of Inflation	2.20%
Salary Increases	3.00%
Discount Rate	2.12%
Healthcare Cost Trend Rates	6.00% for 2022; reducing to 3.94% for 2090

Mortality rates were based on the RPH-2014 Mortality Table adjusted back to 2006 using scale MP-2014 and projected forward using scale MP-2019.

Retirement participation rate assumed that 100% of eligible employees will elect medical coverage at retirement age and 85% of active member's spouses will elect medical coverage. Additionally, a tiered approach based on age and sex was used to determine retirement rate assumption.

Termination rates are based on tables used by the New York State and Local Retirement System. Rates are tiered based on the percentage of employees who will terminate employment at any given age each year, for reasons other than death or retirement.

The discount rate was based on the Bond Buyer Weekly 20-Bind Go Index.

**ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

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

**Changes in the Net OPEB Liability**

	<b><u>Total OPEB Liability</u></b>
Balance at January 1, 2020	\$ 1,873,017
Changes for the Year:	
Service Cost	69,369
Interest Cost	52,976
Changes in Benefit Terms	-
Differences between Expected and Actual Experience	249,946
Changes in Assumptions and Other Inputs	264,488
Benefit Payments	<u>(17,963)</u>
Net Changes	<u>618,816</u>
Balance at January 1, 2021	\$ <u>2,491,833</u>

Changes in assumptions and other inputs reflect a change in the discount rate from 2.74% on January 1, 2020 to 2.12% on January 1, 2021.

**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 (1.12%) or one-percentage point higher (3.12%) than the current discount rate:

	<u>1% Decrease (1.12%)</u>	<u>Current (2.12%)</u>	<u>1% Increase (3.12%)</u>
Total OPEB Liability	\$ 3,011,533	\$ 2,491,833	\$ 2,083,335

**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:

	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 2,011,311	\$ 2,491,833	\$ 3,122,232

**ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

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

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

For the year ended December 31, 2021, the Agency recognized OPEB expense of \$ 126,647. At December 31, 2021, 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	\$ 217,273	\$ 318,594
Change of Assumptions or Other Inputs	503,247	130,483
Employer Contributions Subsequent to the Measurement Date	<u>27,207</u>	<u>-</u>
Total	<u>\$ 747,727</u>	<u>\$ 449,077</u>

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, 2022	\$ 31,509
2023	31,509
2024	31,509
2025	31,509
2026	38,245
Thereafter	<u>107,162</u>
	<u>\$ 271,443</u>

**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%.

**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. This loan was paid in full in 2020.

**ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 12 - LONG-TERM LIABILITIES (Continued)**

Long-term liabilities as of December 31, 2021 and 2020 consisted of the following:

Holder	Interest Rate	Maturity	Original Amount	Balance	
				2021	2020
SLCIDA-SLRVRA -					
Canton Industrial Building	1.00%	11/01/21	\$ 700,000	\$ -	\$ 504,439
SLCIDA-LDC -					
Canton Industrial Building	0.50%	11/01/44	700,000	<u>545,947</u>	<u>568,282</u>
				<u>\$ 545,947</u>	<u>\$ 1,072,721</u>

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

	Principal	Interest
December 31, 2022	\$ 22,448	\$ 2,678
2023	22,560	2,566
2024	22,673	2,453
2025	22,787	2,339
2026	22,901	2,225
2027 - 2031	116,238	9,392
2032 - 2036	119,180	6,450
2037 - 2041	122,196	3,433
2042 - 2046	<u>74,964</u>	<u>580</u>
	<u>\$ 545,947</u>	<u>\$ 32,116</u>

**NOTE 13 - INDUSTRIAL REVENUE BOND ISSUES**

At the date of these financial statements, the Agency had participated in excess of fifty-two such bond issues in the total original issue amount in excess of \$ 785,530,700. These issues were made at various times between February 1973 and December 31, 2021. 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.

## **ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

### **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021**

#### **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.

## **ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

### **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021**

#### **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 and was completed in 2020. Through December 31, 2020, cumulative rehabilitation costs totaled \$ 8,382,962 while grant reimbursement totaled \$ 8,672,000. The Phase 2 remaining grant reimbursement of \$ 289,038 will be carried forward for use in future years for work on the project and is recorded as grant advances at the end of 2021.

#### **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 was substantially completed in 2020.

#### **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.



## **ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

### **NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2021**

#### **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 reimbursed 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 provided 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 transferred good and marketable title to the property to the St. Lawrence County Property Development Corporation (a related-party to the Agency). Rehabilitation work continues and a certificate of occupancy is anticipated in early 2022.

At December 31, 2021 and 2020, the amount due the Agency for this project was \$ -0- and \$ 1,000,000, respectively. The amount due is recorded as Due from Other Governments on the statement of net position at December 31, 2020 and the Agency received full payment in 2021. There was no interest charged under this agreement.

#### **NOTE 21 - INDUSTRIAL BUILDING LEASE AGREEMENT**

The Agency has executed a lease to Michels Corporation for space in the Canton Industrial Mixed-Use Building for the term of twenty-six months, from November 2020 to December 2022. Michels Corporation will be utilizing the space as a local base of operations while the company performs work on the Moses-Adirondack Smart Path Reliability Project, the New York Power Authority's project to rebuild and strengthen the Moses-Adirondack transmission lines – a vital 86-mile stretch of New York's North-South power transmission system. The company has two potential renewal options in the lease.

#### **NOTE 22 - 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, 2021.

**ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

**NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 22 - RECOGNITION OF CERTAIN GRANT REVENUE AND EXPENDITURES (Continued)**

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, 2021, there were no active grants of this nature.

**NOTE 23 - CONCENTRATION OF CREDIT RISK**

At December 31, 2021, the Agency had bank balances totaling \$ 5,274,978 with a carrying value of \$ 4,801,640. 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	<u>4,524,978</u>
	<u>\$ 5,274,978</u>

**NOTE 24 - 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

In 2021 and 2020, SLCIDA-CDC paid the SLCIDA \$ 83,431 and \$ 13,625, respectively. This amount represents one-half of the bond fees received by SLCIDA-CDC in 2021. There are no restrictions on the payment and the payment was made in accordance with enabling legislation and in accordance with resolution CDC-10-10-17, passed on October 10, 2010. This resolution adopted a policy which authorized the transfer to the SLCIDA 50% of any and all Project/Bond Fees the SLCIDA-CDC receives.

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 2021 and 2020.

## **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, 2021**

	2021	2020	2019	2018	2017	2016	2015
Employer's Proportion of the Net Pension Liability (Asset)	0.0012940%	0.0013925%	0.0014630%	0.0015412%	0.0015513%	0.0020224%	0.0021613%
Employer's Proportionate Share of the Net Pension Liability (Asset)	\$ 1,288	\$ 368,736	\$ 103,661	\$ 49,741	\$ 145,764	\$ 324,593	\$ 73,014
Employer's Covered-Employee Payroll	\$ 351,031	\$ 369,322	\$ 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	0.37%	99.84%	29.61%	14.53%	43.17%	94.76%	19.38%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	99.95%	86.39%	96.27%	98.24%	94.70%	90.70%	97.90%

*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**

	2021	2020	2019	2018	2017	2016	2015
Contractually Required Contribution	\$ 61,341	\$ 52,812	\$ 50,398	\$ 49,700	\$ 49,766	\$ 55,996	\$ 74,013
Contributions in Relation to the Contractually Required Contribution	<u>61,341</u>	<u>52,812</u>	<u>50,398</u>	<u>49,700</u>	<u>49,766</u>	<u>55,996</u>	<u>74,013</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's Covered-Employee Payroll	\$ 351,031	\$ 369,322	\$ 350,108	\$ 342,440	\$ 337,649	\$ 342,530	\$ 376,838
Contribution as a Percentage of Covered-Employee Payroll	17.47%	14.30%	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**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>				
Service Cost	\$ 69,369	\$ 54,701	\$ 65,391	\$ 81,664
Interest Cost	52,976	67,489	60,146	73,298
Changes in Benefit Terms	-	-	-	-
Differences Between Expected and Actual Experience	249,946	(144,943)	-	(387,465)
Changes in Assumptions and Other Inputs	264,488	314,445	(197,857)	75,268
Benefit Payments	<u>(17,963)</u>	<u>(20,087)</u>	<u>(18,638)</u>	<u>(15,633)</u>
Net Change in Total OPEB Liability	618,816	271,605	(90,958)	(172,868)
Total OPEB Liability - Beginning	<u>1,873,017</u>	<u>1,601,412</u>	<u>1,692,370</u>	<u>1,865,238</u>
Total OPEB Liability - Ending	<u>\$ 2,491,833</u>	<u>\$ 1,873,017</u>	<u>\$ 1,601,412</u>	<u>\$ 1,692,370</u>
 Covered Payroll Over Measurement Period	 \$ 369,322	 \$ 336,768	 \$ 354,822	 \$ 333,900
 Total OPEB Liability as a Percentage of Covered Payroll	 674.70%	 556.17%	 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:

2021	2.12%
2020	2.74%
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, 2021 AND 2020**

<b>2021</b>				
	Gouverneur Industrial Park	Newton Falls Rail Repair	Canton Industrial Park	Canton Industrial Building
<b>OPERATING REVENUES</b>				
Rental Income	\$ -	\$ -	\$ -	\$ 108,660
Grant Income	-	40,364	-	-
Total Income	-	40,364	-	108,660
<b>OPERATING EXPENSES</b>				
Insurance	44	-	946	5,228
Interest	-	-	-	7,643
Maintenance	2,750	-	-	9,682
Rehabilitation Project	-	44,069	-	-
Utilities	-	-	-	8,867
Total Operating Expenses	2,794	44,069	946	31,420
<b>NON-OPERATING EXPENSES</b>				
Depreciation	-	-	2,754	67,208
Total Expenses	2,794	44,069	3,700	98,628
Excess of Revenues Over Expenses	\$ (2,794)	\$ (3,705)	\$ (3,700)	\$ 10,032
<b>2020</b>				
	Gouverneur Industrial Park	Newton Falls Rail Repair	Canton Industrial Park	Canton Industrial Building
<b>OPERATING REVENUES</b>				
Rental Income	\$ -	\$ -	\$ -	\$ 17,054
Grant Income	-	108,160	-	-
Total Income	-	108,160	-	17,054
<b>OPERATING EXPENSES</b>				
Insurance	44	-	948	4,961
Interest	-	-	-	8,091
Maintenance	2,750	-	-	11,934
Rehabilitation Project	-	107,010	-	-
Utilities	-	-	-	1,611
Total Operating Expenses	2,794	107,010	948	26,597
<b>NON-OPERATING EXPENSES</b>				
Depreciation	-	-	2,554	67,208
Total Expenses	2,794	107,010	3,502	93,805
Excess of Revenues Over Expenses	\$ (2,794)	\$ 1,150	\$ (3,502)	\$ (76,751)

See Independent Auditor's Report.

**ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY**

**SCHEDULES OF ADMINISTRATIVE OPERATING EXPENSES  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>12/31/2021</u>	<u>12/31/2020</u>
<b>OPERATING EXPENSES</b>		
Salaries and Wages	\$ 492,354	\$ 403,636
Employee Benefits	117,655	193,625
Payroll Taxes	32,531	26,988
OPEB Expense	126,647	68,489
Accounting/Audit	7,875	7,725
Bank Service Fees	1,329	1,226
Data Processing Services	6,125	2,502
Depreciation	3,898	4,791
Insurance	7,146	6,802
Legal Fees	9,974	15,349
Meetings	110	248
Miscellaneous	1,494	737
Office Supplies and Postage	5,507	12,919
Payroll Fees	2,485	2,783
Printing and Copying	2,393	974
Professional Associations	1,675	1,350
Rent and Maintenance	3,461	1,995
Subscriptions and Periodicals	45	666
Telephone	7,592	9,367
Utilities	6,575	3,737
Vehicle Repairs and Maintenance	<u>731</u>	<u>567</u>
Total Operating Expenses	<u>\$ 837,602</u>	<u>\$ 766,476</u>





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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, 2021, 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 28, 2022.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Agency's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or 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 or significant deficiencies may exist that were not identified.

## **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Agency's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## **Purpose of this Report**

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

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

March 28, 2022