

**ST. LAWRENCE COUNTY
PROPERTY DEVELOPMENT CORPORATION**

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

ST. LAWRENCE COUNTY PROPERTY DEVELOPMENT CORPORATION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
St. Lawrence County Property Development Corporation

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of St. Lawrence County Property Development Corporation (SLCPDC) (a nonprofit organization), a component unit of St. Lawrence County, New York, which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of SLCPDC as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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 SLCPDC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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 SLCPDC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 SLCPDC'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 SLCPDC'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.

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 SLCPDC'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 SLCPDC'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 SLCPDC's internal control over financial reporting and compliance.


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

March 28, 2022

ST. LAWRENCE COUNTY PROPERTY DEVELOPMENT CORPORATION

**STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020**

	12/31/2021	12/31/2020
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 4,241	\$ 53,302
Restricted Cash for Debt Collateral	100,000	-
Contributions Receivable	143,198	-
Other Receivables	907	-
Prepaid Insurance	11,966	-
Total Long-Term Assets	260,312	53,302
LONG-TERM ASSETS		
Construction in Progress	1,115,739	-
Property Held for Sale	-	344,369
Total Long-Term Assets	1,115,739	344,369
TOTAL ASSETS	\$ 1,376,051	\$ 397,671
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 26,702	\$ -
Notes Payable - Current Portion	4,537	-
Total Current Liabilities	31,239	-
LONG-TERM LIABILITIES		
Notes Payable - Net of Current Portion	595,463	-
Due to Affiliates	-	129,926
Due to Others	-	214,443
Total Long-Term Liabilities	595,463	344,369
TOTAL LIABILITIES	626,702	344,369
NET ASSETS		
Without Donor Restrictions	749,349	53,302
TOTAL LIABILITIES AND NET ASSETS	\$ 1,376,051	\$ 397,671

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

ST. LAWRENCE COUNTY PROPERTY DEVELOPMENT CORPORATION

**STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>12/31/2021</u>	<u>12/31/2020</u>
SUPPORT AND REVENUE		
Grant Income	\$ 218,180	\$ -
Contribution Income	500,359	-
Debt Forgiveness	142,528	-
Gain (Loss) on Sale of Property	(119,369)	-
Miscellaneous Income	536	-
Interest Income - Banks	<u>65</u>	<u>13</u>
Total Support and Revenue	<u>742,299</u>	<u>13</u>
 EXPENSES		
Program Services		
Property Related Expenses	<u>32,094</u>	<u>18,740</u>
Management and General		
Accounting Fees	4,012	3,938
Administration	5,811	6,336
D & O Insurance	539	528
Legal Fees	3,562	1,500
Office Expense	<u>234</u>	<u>27</u>
Total Management and General	<u>14,158</u>	<u>12,329</u>
 Total Expenses	<u>46,252</u>	<u>31,069</u>
 CHANGE IN NET ASSETS	696,047	(31,056)
 Net Assets - Beginning of Year	<u>53,302</u>	<u>84,358</u>
 Net Assets - End of Year	<u>\$ 749,349</u>	<u>\$ 53,302</u>

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

ST. LAWRENCE COUNTY PROPERTY DEVELOPMENT CORPORATION

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>12/31/2021</u>	<u>12/31/2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Interest	\$ 65	\$ 13
Cash Received from Grantors and Contributors	475,341	-
Cash Received from Others	536	-
Cash Paid to Suppliers for Goods and Services	<u>(32,423)</u>	<u>(31,069)</u>
Net Cash Provided (Used) By Operating Activities	<u>443,519</u>	<u>(31,056)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash Received from Sale of Property	225,000	-
Cash Paid for Construction in Progress	(1,115,739)	-
Deposits from Escrow Account	<u>-</u>	<u>65,000</u>
Net Cash Provided (Used) By Investing Activities	<u>(890,739)</u>	<u>65,000</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Notes Payable and Recapture Obligation	700,000	-
Payments made on Due to Affiliates	(76,152)	-
Payments made on Due to Others	<u>(125,689)</u>	<u>-</u>
Net Cash Provided (Used) By Financing Activities	<u>498,159</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH	50,939	33,944
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - Beginning of Year	<u>53,302</u>	<u>19,358</u>
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR	<u>\$ 104,241</u>	<u>\$ 53,302</u>

**RECONCILIATION OF CASH, CASH EQUIVALENTS, AND RESTRICTED CASH
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

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.

	<u>12/31/2021</u>	<u>12/31/2020</u>
Cash and Cash Equivalents	\$ 4,241	\$ 53,302
Restricted Cash for Debt Collateral	<u>100,000</u>	<u>-</u>
Total cash, cash equivalents, and restricted cash shown in the statement of cash flows	<u>\$ 104,241</u>	<u>\$ 53,302</u>

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

ST. LAWRENCE COUNTY PROPERTY DEVELOPMENT CORPORATION

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting and Reporting Entity

The financial statements of the St. Lawrence County Property Development Corporation (SLCPDC) have been prepared on the accrual basis. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

The SLCPDC 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 SLCPDC has adopted *FASB ASC 958-205*. Under this standard, the SLCPDC 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. As directed by this statement, the SLCPDC has arranged its financial statements to present the two classes of net assets required, as applicable.

Contributions

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

Nature of Operations

The SLCPDC is a Not-For-Profit Local Development Corporation formed pursuant to Section 1411 of the Not-For-Profit Corporation Law of the State of New York as defined in subparagraph (a)(5) of Section 102 of the Law. The SLCPDC was formed on July 12, 2018.

The purposes for which the SLCPDC was formed is to operate exclusively for charitable purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, to relieve and reduce unemployment, promote and provide for additional and maximum employment, improve and maintain job opportunities, lessen the burdens of government, and act in the public interest.

Use of Estimates

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

ST. LAWRENCE COUNTY PROPERTY DEVELOPMENT CORPORATION

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Income Taxes

The SLCPDC is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and is also duly established under Section 102 of the Not-For-Profit Corporation Law of the State of New York.

Accounting principles generally accepted in the United States of America require management to evaluate all significant tax positions. As of December 31, 2021, the SLCPDC does not believe that it has taken any positions that would require the recording of any tax liability or tax benefit.

Allocation of Functional Expenses

The financial statements do not report any categories of expenses that are attributable to more than one program or supporting functions. Therefore, an allocation of functional expenses is not required.

NOTE 2 - LIQUIDITY AND AVAILABILITY

Financial assets available within one year of the balance sheet date are as follows:

	<u>12/31/2021</u>	<u>12/31/2020</u>
Cash and cash equivalents	\$ 4,241	\$ 53,502
Contributions and other receivables	<u>144,105</u>	<u>-</u>
	<u>\$ 148,346</u>	<u>\$ 53,502</u>

NOTE 3 - CASH HELD IN ESCROW

During 2019, the SLCPDC had \$ 65,000 held in escrow in an attorney trust account pertaining to the possible acquisition of real property. As of December 31, 2020, the money was transferred to cash and out of escrow.

NOTE 4 - CONTRIBUTIONS RECEIVABLE

The SLCPDC records unconditional promises to give as receivables and revenue when received. Contributions receivable in support of the former Newell Building improvement project at December 31, 2021 is \$ 143,198. The contribution is due from the St. Lawrence County Industrial Development Agency - Local Development Corporation, a related entity.

ST. LAWRENCE COUNTY PROPERTY DEVELOPMENT CORPORATION

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

NOTE 5 - CONSTRUCTION IN PROGRESS

As part of an industrial development improvement project, the SLCPDC took ownership of property in Ogdensburg, New York during 2021 commonly known as the former Newell Building. Ownership transferred to the SLCPDC in March 2021. During 2021, the SLCPDC made improvements to the property totaling \$ 1,115,739. These amounts are recorded as construction in progress at December 31, 2021.

NOTE 6 - PROPERTY HELD FOR SALE

Property held for sale consists of a parcel of commercial land and building located in Star Lake, New York. The SLCPDC obtained a deed in lieu of foreclosure on the property on December 12, 2019. The carrying value of \$ 344,369 represents the outstanding balance of the existing mortgages at the time of acquisition.

The mortgages were assigned to the SLCPDC upon acquisition of the property and the related liability was then recorded as due to affiliates and due to others on the statement of financial position.

The property was sold for commercial development purposes in 2021. The assigned mortgages were paid with the net property sale proceeds and any remaining balances were forgiven by the third-parties.

NOTE 7 - LONG-TERM DEBT

Long-term debt consists of the following:

	<u>2021</u>	<u>2020</u>
Development Authority of the North Country – Promissory Note dated July 1, 2021 for \$ 100,000, with interest at 1.00% and annual payments of \$ 5,542 for a term of 20 years; secured by collateral consisting of a \$ 100,000 certificate of deposit under a Security Agreement	\$ 100,000	\$ -
St. Lawrence County Industrial Development Agency - Civic Development Corporation – Bridge Loan approved at April 20, 2021 SLCPDC board meeting for \$ 500,000, with interest at 0.00% and a balloon payment after 24 months	<u>500,000</u>	<u>-</u>
Total Mortgage Payable	600,000	-
Less Current Portion	<u>4,537</u>	<u>-</u>
Mortgage Payable, Net of Current Portion.....	<u>\$ 595,463</u>	<u>\$ -</u>

ST. LAWRENCE COUNTY PROPERTY DEVELOPMENT CORPORATION

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

NOTE 7 - LONG-TERM DEBT (Continued)

Remaining principal payments on the debt are as follows:

2022	\$	4,537
2023		504,583
2024		4,629
2025		4,675
2026		4,722
Thereafter		<u>76,854</u>
	\$	<u>600,000</u>

There was no interest paid or accrued for the year ended December 31, 2021.

NOTE 8 - RISKS AND CONTINGENCIES

There exists a ten-year grant recapture rider under the terms of a grant award received in 2021. The recapture rider amortizes evenly over ten years beginning in 2022. Any possible recapture would take place upon the sale of the Newell Building. It is possible that the recapture rider would be transferred to a new owner. Management feels that the recapture provisions are highly unlikely to occur. Therefore, there is no liability recorded on these financial statements. The recapture amount at December 31, 2021 was \$ 100,000.

NOTE 9 - SUBSEQUENT EVENTS

Management has reviewed and evaluated all subsequent 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, 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 10 - RELATED-PARTY TRANSACTIONS

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

In 2019, the SLCIDA-LDC assigned all of its right, title and interest in and to the mortgages related to the property described in Note 6 to the SLCPDC. The assigned mortgages amounted to \$ 129,926. After the sale of the property in 2021, the SLCIDA-LDC received \$ 76,152 in sale proceeds and forgave its remaining balance due from the SLCPDC in the amount of \$ 53,474.

The SLCPDC is related to the St. Lawrence County Industrial Development Agency – Civic Development Corporation (SLCIDA-CDC) through common board membership and officers. The SLCIDA-CDC loaned the SLCPDC \$ 500,000 in 2021 as more fully described in Note 7.



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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 Property 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 financial statements of the St. Lawrence County Property Development Corporation (SLCPDC) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, 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 28, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered SLCPDC'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 SLCPDC's internal control. Accordingly, we do not express an opinion on the effectiveness of the SLCPDC'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 SLCPDC'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 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.


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

March 28, 2022