

ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY

Resolution No. RVR-22-04-05

April 20, 2022

ACCEPTING 2021 AUDIT

WHEREAS, the St. Lawrence River Valley Redevelopment Agency has appointed the firm of Pinto, Mucenski, Hooper, VanHouse and Company, PC as its auditor for the years 2021 through 2025, and

WHEREAS, Pinto, Mucenski, Hooper, VanHouse and Company, PC has submitted the attached document entitled “St. Lawrence River Valley Redevelopment Agency Financial Statements, December 31, 2021 and 2020;”

NOW, THEREFORE, BE IT RESOLVED that the St. Lawrence River Valley Redevelopment Agency accepts and approves said report.

Move:	Clark			
Second:	Forsythe			
VOTE	AYE	NAY	ABSTAIN	ABSENT
Clark	X			
Forsythe	X			
McNeil	X			
Murphy				X
Strait	X			

I HEREBY CERTIFY that I have compared this copy of this Resolution with the original record in this office, and that the same is a correct transcript thereof and of the whole of said original record.

/s/

Lori Sibley
April 20, 2022

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**ST. LAWRENCE RIVER VALLEY
REDEVELOPMENT AGENCY**

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

ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY

	<u>Pages</u>
Independent Auditor's Report	1 - 2
Financial Statements	
Statements of Financial Position December 31, 2021 and 2020	3
Statements of Activities for the Years Ended December 31, 2021 and 2020	4
Statements of Cash Flows for the Years Ended December 31, 2021 and 2020	5
Notes to Financial Statements	6 - 14
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	15 - 16



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
St. Lawrence River Valley Redevelopment Agency

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of St. Lawrence River Valley Redevelopment Agency (SLRVRA) (a nonprofit organization), which comprise the statement 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 SLRVRA 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 SLRVRA 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 opinion.

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 SLRVRA'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.

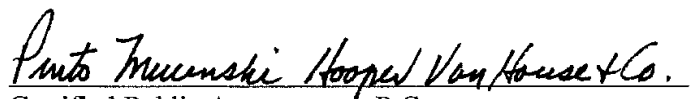
In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- 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 SLRVRA'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 SLRVRA'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 SLRVRA'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 SLRVRA'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 SLRVRA's internal control over financial reporting and compliance.


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

March 28, 2022

ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY

STATEMENTS OF FINANCIAL POSITION

DECEMBER 31, 2021 AND 2020

	<u>12/31/2021</u>	<u>12/31/2020</u>
ASSETS		
CURRENT ASSETS		
Cash and Cash Equivalents	\$ 5,931,185	\$ 4,746,872
Investments	718,384	1,799,735
Accounts Receivable	4,277	2,673
Accrued Interest Receivable	12,182	6,404
Mortgages and Notes Receivable (Net of Allowance)	564,813	515,829
Capital Lease Receivable	<u>20,469</u>	<u>19,802</u>
 Total Current Assets	 <u>7,251,310</u>	 <u>7,091,315</u>
 Fixed Assets - Net	 <u>302,644</u>	 <u>318,702</u>
 LONG-TERM ASSETS		
Mortgages and Notes Receivable - Net of Current Portion	1,704,010	2,267,090
Capital Lease Receivable - Net of Current Portion	<u>325,381</u>	<u>345,886</u>
 Total Long-Term Assets	 <u>2,029,391</u>	 <u>2,612,976</u>
 TOTAL ASSETS	 <u>\$ 9,583,345</u>	 <u>\$ 10,022,993</u>
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts Payable	\$ 279	\$ 16,209
 NET ASSETS		
With Donor Restrictions	<u>9,583,066</u>	<u>10,006,784</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 9,583,345</u>	 <u>\$ 10,022,993</u>

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

ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY

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

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Totals	Without Donor Restrictions	With Donor Restrictions	Totals
SUPPORT AND REVENUE						
Grant Income - Massena Electric	\$ -	\$ -	\$ -	\$ -	\$ 11,855	\$ 11,855
Rental Income	-	30,690	30,690	-	30,690	30,690
Interest Income - Banks	-	8,198	8,198	-	9,730	9,730
Interest Income - Loans/Leases	-	97,758	97,758	-	88,330	88,330
Application Fees	-	1,500	1,500	-	1,300	1,300
Late Payment Fees	-	375	375	-	200	200
Unrealized Gains	-	(5,690)	(5,690)	-	(9,119)	(9,119)
Realized Gains	-	471	471	-	25,996	25,996
Net Assets Released from Restrictions	<u>557,020</u>	<u>(557,020)</u>	<u>-</u>	<u>445,331</u>	<u>(445,331)</u>	<u>-</u>
Total Support and Revenue	<u>557,020</u>	<u>(423,718)</u>	<u>133,302</u>	<u>445,331</u>	<u>(286,349)</u>	<u>158,982</u>
EXPENSES						
Program Services						
Contractual	330,000	-	330,000	330,000	-	330,000
Community Development	205,690	-	205,690	91,517	-	91,517
Depreciation	16,058	-	16,058	16,058	-	16,058
Advertising & Marketing	17,499	-	17,499	15,930	-	15,930
Insurance	6,816	-	6,816	7,929	-	7,929
Repairs and Maintenance	810	-	810	760	-	760
Underwriting Fees	554	-	554	540	-	540
Utilities	2,312	-	2,312	1,761	-	1,761
Total Program Services	<u>579,739</u>	<u>-</u>	<u>579,739</u>	<u>464,495</u>	<u>-</u>	<u>464,495</u>
Management and General						
Accounting	4,196	-	4,196	4,121	-	4,121
Bank Fees	449	-	449	-	-	-
Legal Expenses	-	-	-	45	-	45
Office Expenses	97	-	97	142	-	142
D & O Insurance	539	-	539	528	-	528
Total Management and General	<u>5,281</u>	<u>-</u>	<u>5,281</u>	<u>4,836</u>	<u>-</u>	<u>4,836</u>
Total Expenses	<u>585,020</u>	<u>-</u>	<u>585,020</u>	<u>469,331</u>	<u>-</u>	<u>469,331</u>
OTHER GAINS (LOSSES)						
Change in Bad Debt Allowance	<u>28,000</u>	<u>-</u>	<u>28,000</u>	<u>24,000</u>	<u>-</u>	<u>24,000</u>
Total Other Gains (Losses)	<u>28,000</u>	<u>-</u>	<u>28,000</u>	<u>24,000</u>	<u>-</u>	<u>24,000</u>
CHANGE IN NET ASSETS	-	(423,718)	(423,718)	-	(286,349)	(286,349)
Net Assets - Beginning of Year	<u>-</u>	<u>10,006,784</u>	<u>10,006,784</u>	<u>-</u>	<u>10,293,133</u>	<u>10,293,133</u>
Net Assets - End of Year	<u>\$ -</u>	<u>\$ 9,583,066</u>	<u>\$ 9,583,066</u>	<u>\$ -</u>	<u>\$ 10,006,784</u>	<u>\$ 10,006,784</u>

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

ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY

**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	\$ 100,178	\$ 101,943
Cash Received from Building Rents	30,690	30,690
Cash Received from Others	1,875	13,422
Cash Paid to Others for Community Development Projects	(205,690)	(91,517)
Cash Paid for Goods and Services	<u>(380,806)</u>	<u>(345,550)</u>
Net Cash Provided (Used) By Operating Activities	<u>(453,753)</u>	<u>(291,012)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(2,297,866)	(2,798,811)
Proceeds from Sale of Investments	3,373,998	2,800,000
Payments Received on Capital Lease	19,838	14,398
Issuance of New Mortgages and Notes	(594,500)	(300,000)
Payments Received on Mortgages and Notes	<u>1,136,596</u>	<u>758,354</u>
Net Cash Provided (Used) By Investing Activities	<u>1,638,066</u>	<u>473,941</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	1,184,313	182,929
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>4,746,872</u>	<u>4,563,943</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 5,931,185</u>	<u>\$ 4,746,872</u>

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

ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY

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

NOTE 1 - HISTORY AND BASIS OF FINANCIAL STATEMENT PRESENTATION

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

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of St. Lawrence River Valley Redevelopment Agency (SLRVRA) 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.

Financial Statement Presentation

The SLRVRA has adopted *FASB ASC 958-205*. Under this standard, the SLRVRA 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.

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

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

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

ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions

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

Use of Estimates

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

Cash and Cash Equivalents

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

Mortgages and Notes Receivable

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

Capital Assets

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

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

Net Assets with Donor Restrictions

The net assets with donor restrictions represent activity related to the \$ 16,000,000 grant from the New York Power Authority.

ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY

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

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The SLRVRA is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and is also duly established under Section 402 of the Not-For-Profit Corporation Law of the State of New York. For tax reporting purposes, the accounts of the SLRVRA are consolidated with those of the SLCIDA-LDC for reporting as a combined entity.

Advertising and Marketing

The SLRVRA expenses advertising costs as they are incurred. Advertising expenses for the years ended December 31, 2021 and 2020 were \$ 17,499 and \$ 15,930, respectively.

Depreciation

Depreciation is calculated on buildings and improvements on the straight-line method over the assets estimated useful life. Depreciation expense for the years ended December 31, 2021 and 2020 was \$ 16,058 for each year.

Allocation of Functional Expenses

Program expenses are activities that directly fulfill the mission of the SLRVRA. Management and general expenses are supporting activities that are not directly identifiable with a program. Expenses of the SLRVRA consist of costs related to promoting economic development. 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 3 - MORTGAGES AND NOTES RECEIVABLE

The SLRVRA carries its mortgages and notes receivable at cost recognizing interest income on the accrual basis as specified in the various agreements. The SLRVRA evaluates the collectability of its mortgages and notes receivable and the Board has established a loan loss reserve. The loan loss reserve at December 31, 2021 and 2020 was \$ 137,500 and \$ 165,500, respectively.

ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY

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

NOTE 3 - MORTGAGES AND NOTES RECEIVABLE (Continued)

Mortgages and notes receivable balances at December 31, 2021 and 2020 consisted of the following:

	<u>Date</u>	<u>Due</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance 2021</u>	<u>Balance 2020</u>
Ansen	03/04/16	03/01/26	2.625%	\$ 241,954	\$ 109,585	\$ 134,067
Atlantic Testing	01/26/17	02/01/24	2.875%	218,160	80,478	112,061
Atlantic Testing	04/14/21	04/01/28	2.625%	344,500	314,227	-
Blast Boss, Inc.	01/04/17	01/01/22	2.875%	78,050	-	17,882
Canexsys	09/15/17	01/01/24	3.125%	150,000	68,330	89,664
Curran Renewable Energy	03/16/16	03/01/23	3.500%	1,356,278	662,760	640,983
High Peaks Winery	04/30/14	05/01/29	3.750%	36,500	21,084	23,284
Kingston Pharma, LLC - Equip	01/04/17	12/04/21	3.125%	95,553	16,640	35,279
Kingston Pharma, LLC	07/26/18	08/01/23	3.500%	96,000	46,028	60,024
North American Forest Group	11/21/18	11/01/33	3.625%	100,000	85,943	91,395
North Country Dairy, LLC	02/01/19	02/01/26	3.375%	800,000	493,172	606,019
Pepsi-Cola Ogdensburg Bottlers	11/21/19	12/01/24	3.375%	200,000	137,811	175,994
Pro Sport Trailer Mfg.	06/12/19	10/01/24	0.000%	45,000	38,687	43,981
Riverside Iron, LLC	06/27/14	07/01/24	3.750%	100,000	29,366	39,677
SLCIDA - CIB	12/04/14	11/01/21	1.000%	700,000	-	504,439
Structural Wood	12/20/11	12/01/21	2.625%	150,000	-	18,149
Structural Wood	04/09/20	04/01/30	2.625%	300,000	252,850	282,322
Swift Labs	09/22/16	10/01/23	2.750%	30,000	11,758	16,096
Thew Associates	11/05/18	11/01/23	3.675%	97,000	37,604	57,103
					2,406,323	2,948,419
				Less Allowance for Bad Debts	(137,500)	(165,500)
					<u>\$ 2,268,823</u>	<u>\$ 2,782,919</u>

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

December 31, 2022	\$ 702,313
2023	767,024
2024	333,309
2025	258,789
2026	104,313
Thereafter	<u>240,575</u>
	<u>\$ 2,406,323</u>

NOTE 4 - LOANS WRITTEN OFF

There were no loans written off in 2021 or 2020. See Note 3 for loan loss reserve.

ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY

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

NOTE 5 - CAPITAL LEASE (LEASE-PURCHASE AGREEMENTS)

The SLRVRA leases buildings under lease-purchase agreements. Through these agreements, as the Lessor the SLRVRA provides financial assistance for the acquisition of SLRVRA-owned properties for companies as part of economic development projects. Balances at December 31, 2021 and 2020 are as follows:

<u>Capital Lease</u>	<u>Original Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance 2021</u>	<u>Balance 2020</u>
AmTech Yarns, Inc.	07/24/19	12/31/34	3.750%	\$ 450,000	\$ 345,850	\$ 365,688

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

December 31, 2022	\$ 20,469
2023	21,324
2024	22,137
2025	22,982
2026	23,858
Thereafter	<u>235,080</u>
	<u>\$ 345,850</u>

NOTE 6 - 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	\$ 718,384	\$ -
United States Treasury Bills	<u>-</u>	<u>1,799,735</u>
	<u>\$ 718,384</u>	<u>\$ 1,799,735</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>
Interest Income	\$ 5,799	\$ 3,438
Realized Gains (Losses)	471	25,996
Unrealized Gains (Losses)	<u>(5,690)</u>	<u>(9,119)</u>
	<u>\$ 580</u>	<u>\$ 20,315</u>

ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY

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

NOTE 7 - 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 SLRVRA 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 SLRVRA’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.

	Quoted Prices in Active Markets (Level 1)	
	<u>12/31/2021</u>	<u>12/31/2020</u>
Municipal Notes	\$ 718,384	\$ -
United States Treasury Bills	-	1,799,735
	<u>\$ 718,384</u>	<u>\$ 1,799,735</u>

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

ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY

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

NOTE 8 - COMMUNITY DEVELOPMENT ENVIRONMENTAL IMPROVEMENT PROJECTS

The SLRVRA made grant awards during the years 2011 through 2021 as part of its Community Development Environmental Improvement Projects (CDEIP), as authorized by the June 2, 2010 contracts. The original grant award amounts and expenditures as of December 31, 2021 are as follows:

Date of Award	Grant Award	Expended			Total Expended	Balance of Grant Remaining
		Prior to 2020	2020	2021		
2011	\$ 522,553	\$ 522,553	\$ -	\$ -	\$ 522,553	\$ -
2012	556,694	556,694	-	-	556,694	-
2013	390,382	390,382	-	-	390,382	-
2014	415,152	415,152	-	-	415,152	-
2015	364,146	299,146	-	17,271	316,417	47,729
2016	349,099	300,540	-	35,311	335,851	13,248
2017	323,735	241,350	9,462	54,930	305,742	17,993
2018	100,000	51,347	35,000	-	86,347	13,653
2019	100,000	12,945	47,055	20,000	80,000	20,000
2020	98,378	-	-	43,178	43,178	55,200
2021	100,000	-	-	35,000	35,000	65,000
Total	\$ 3,320,139	\$ 2,790,109	\$ 91,517	\$ 205,690	\$ 3,087,316	\$ 232,823

NOTE 9 - FIXED ASSETS

Fixed assets at December 31, 2021 and 2020 consisted of:

	2021	2020
Massena Lot 19 - Building and Improvements	\$ 432,740	\$ 432,740
Less: Accumulated Depreciation	<u>(130,096)</u>	<u>(114,038)</u>
	<u>\$ 302,644</u>	<u>\$ 318,702</u>

NOTE 10 - 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, 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 11 - CONCENTRATION OF CREDIT RISK

At December 31, 2021, the SLRVRA had bank balances totaling \$ 5,456,334 with a carrying value of \$ 5,931,185. A combination of federal depository insurance and securities pledged and held by the bank fully covered these bank balances.

ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY

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

NOTE 12 - LIQUIDITY AND AVAILABILITY

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

	<u>12/31/2021</u>	<u>12/31/2020</u>
Cash and Cash Equivalents	\$ 5,931,185	\$ 4,746,872
Accounts Receivable	4,277	2,673
Accrued Interest Receivable	12,182	6,404
Mortgages and Notes Receivable (Net)	564,813	515,829
Capital Lease Receivable	20,469	19,802
Investments	<u>718,384</u>	<u>1,799,735</u>
Total	<u>\$ 7,251,310</u>	<u>\$ 7,091,315</u>

Management has established a bad debt allowance. Therefore, the mortgages and notes receivable above are expected to be received in full. The investments above consist of short-term U.S. treasury bills and municipal notes with maturity dates within one year.

NOTE 13 - RECOGNITION OF CERTAIN GRANT REVENUE AND EXPENDITURES

Occasionally, the SLRVRA (the “grantee”) applies for and receives grants from government agencies and other organizations. These grants are usually “reimbursement grants”, i.e., the monies from the grant are only paid to the grantee as reimbursements after the grantee has documented to the grantor that the grantee has achieved defined benchmarks, paid out required funds, and otherwise complied with all other required grant conditions. Projects in which such grants are involved often span several fiscal years and long delays in the reimbursement process are frequent. Consequently, in cases involving reimbursement grants, the SLRVRA 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 SLRVRA does not accrue any expenses or payables associated with items to be paid out for future grant reimbursement until the SLRVRA is satisfied that it has complied with all grant reimbursement eligibility requirements. These items are usually paid out in the subsequent period and will be recorded as project expenses. As of December 31, 2021, there were no active grants of this nature.

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

ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY

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

NOTE 14 - RELATED PARTY TRANSACTIONS

The SLRVRA is related to the following entities:

- St. Lawrence County Industrial Development Agency Local Development Corporation (SLCIDA-LDC)
- Program Administrative Agreements and Participation Loan Agreements.
- Greater Massena Economic Development Fund (GMEDF)
- Participation Loan Agreements.

Administrative fees paid to the SLCIDA-LDC by SLRVRA totaled \$ 300,000 for both 2021 and 2020.



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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 River Valley Redevelopment 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 St. Lawrence River Valley Redevelopment Agency (SLRVRA) (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 the SLRVRA'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 SLRVRA's internal control. Accordingly, we do not express an opinion on the effectiveness of the SLRVRA'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 SLRVRA'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.


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

March 28, 2022