

ST. LAWRENCE COUNTY PROPERTY
DEVELOPMENT CORPORATION
(A Discretely Presented Component Unit of
St. Lawrence County, New York)

Basic Financial Statements,
Supplementary Information and
Independent Auditors' Report
December 31, 2025 and 2024

ST. LAWRENCE COUNTY PROPERTY DEVELOPMENT CORPORATION
(A Discretely Presented Component Unit of St. Lawrence County, New York)

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1 - 3
Management's Discussion and Analysis	4 - 12
Basic Financial Statements:	
Statements of Net Position	13
Statements of Revenue, Expenses and Changes in Net Position	14
Statements of Cash Flows	15
Notes to Financial Statements	16 - 22
Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	23 - 24
Independent Auditors' Report on Investment Compliance and Report on Internal Control Over Compliance Required by the Investment Guidelines	25 - 27

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INDEPENDENT AUDITORS' REPORT

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 discretely presented component unit of St. Lawrence County, New York, as of and for the years ended December 31, 2025 and 2024, and the related notes to financial statements, which collectively comprise the SLCPDC'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 SLCPDC as of December 31, 2025 and 2024, and the respective changes in financial position and 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 (GAAS) 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 Auditors' 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 audits. 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 SLCPDC'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.

Auditors' 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 auditors' 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 GAAS 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 GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 audits.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated March 26, 2026, 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.

EFPR Group, CPAs, PLLC

Williamsville, New York
March 26, 2026

ST. LAWRENCE COUNTY PROPERTY DEVELOPMENT CORPORATION
(A Discretely Presented Component Unit of St. Lawrence County, New York)

Management's Discussion and Analysis

December 31, 2025 and 2024

Our discussion and analysis of the St. Lawrence County Property Development Corporation (the SLCPDC) financial performance provides an overview of the SLCPDC's financial activities for the years ended December 31, 2025 and 2024, with 2023 presented for comparative purposes. Please read it in conjunction with the SLCPDC's financial statements.

HIGHLIGHTS

Financial Highlights

- Total assets for the year ended December 31, 2025 increased by \$709,601 due to the SLCPDC entering into a lease with the St. Lawrence County Industrial Development Agency (SLCIDA) to rent out space at 30 Buck Street, Canton, New York. Total assets for the year ended December 31, 2024 decreased by \$53,550 primarily due to the depreciation of certain capital assets and utilization of cash and equivalents for operations.
- Total liabilities and deferred inflows of resources for the year ended December 31, 2025 increased by \$729,247 due to the SLCPDC entering into a lease with the SLCIDA to rent out space at 30 Buck Street, Canton, New York. Total liabilities for the year ended December 31, 2024 decreased by \$472,386 primarily due to a \$500,000 note payable with the St. Lawrence County Industrial Development Agency-Civic Development Corporation (SLCIDA-CDC) being forgiven for the purposes of defraying property development expenses.

USING THIS ANNUAL REPORT

This annual report consists of two parts: management's discussion and analysis and the financial statements. 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 SLCPDC's basic financial statements. The financial statements of the SLCPDC 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 SLCPDC's overall financial status. The SLCPDC's basic financial statements include the statements of net position, statements of revenue, expenses and changes in net position and statements 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.

ST. LAWRENCE COUNTY PROPERTY DEVELOPMENT CORPORATION
(A Discretely Presented Component Unit of St. Lawrence County, New York)
Management's Discussion and Analysis, Continued

The statements of net position presents information on all of the SLCPDC's assets, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the SLCPDC is improving or deteriorating.

The statements of revenue, expenses and changes in net position account for all of the current year's revenue and expenses. These statements measure the success of the SLCPDC's operations over the year and can be used to determine whether the SLCPDC has successfully recovered all of its costs. It provides the user with basic financial information about profitability and creditworthiness.

The statements of cash flows provides information about the SLCPDC's cash receipts and cash payments during the year. The statements report cash receipts, cash payments and net changes in cash resulting from operating, capital and related financing, investing and noncapital financing activities. The purpose of these statements is to tell the user where the SLCPDC's cash came from, what the cash was used for, and by how much the cash balance changed over the course of the year.

Notes to Financial Statements - The notes to financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of a government agency's financial position. In the case of the SLCPDC, total net position was \$1,169,943 and \$1,189,589 at December 31, 2025 and 2024, respectively.

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

The following tables present a summary of the SLCPDC's statements of net position at December 31, 2025, 2024 and 2023.

ST. LAWRENCE COUNTY PROPERTY DEVELOPMENT CORPORATION
(A Discretely Presented Component Unit of St. Lawrence County, New York)

Management's Discussion and Analysis, Continued

Condensed Statements of Net Position

	<u>2025</u>	<u>2024</u>	<u>Change</u>	<u>Percentage Change</u>
Assets:				
Current assets	\$ 206,620	144,163	62,457	43.3%
Other assets	677,794	-	677,794	100.0%
Capital assets, net	<u>1,134,065</u>	<u>1,164,715</u>	<u>(30,650)</u>	-2.6%
Total assets	<u>2,018,479</u>	<u>1,308,878</u>	<u>709,601</u>	54.2%
Liabilities:				
Current liabilities	6,980	37,721	(30,741)	-81.5%
Long-term liabilities	<u>76,842</u>	<u>81,568</u>	<u>(4,726)</u>	-5.8%
Total liabilities	<u>83,822</u>	<u>119,289</u>	<u>(35,467)</u>	-29.7%
Deferred inflows of resources - lease related	<u>764,714</u>	-	<u>764,714</u>	100.0%
Net position:				
Net investment in capital assets	1,134,065	1,164,715	(30,650)	-2.6%
Restricted	86,000	100,000	(14,000)	-14.0%
Unrestricted	<u>(50,122)</u>	<u>(75,126)</u>	<u>25,004</u>	33.3%
Total net position	<u>\$ 1,169,943</u>	<u>1,189,589</u>	<u>(19,646)</u>	-1.7%

	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>Percentage Change</u>
Assets:				
Current assets	\$ 144,163	167,063	(22,900)	-13.7%
Capital assets, net	<u>1,164,715</u>	<u>1,195,365</u>	<u>(30,650)</u>	-2.6%
Total assets	<u>1,308,878</u>	<u>1,362,428</u>	<u>(53,550)</u>	-3.9%
Liabilities:				
Current liabilities	37,721	505,406	(467,685)	-92.5%
Long-term liabilities	<u>81,568</u>	<u>86,269</u>	<u>(4,701)</u>	-5.4%
Total liabilities	<u>119,289</u>	<u>591,675</u>	<u>(472,386)</u>	-79.8%
Net position:				
Net investment in capital assets	1,164,715	695,365	469,350	67.5%
Restricted	100,000	100,000	-	0.0%
Unrestricted	<u>(75,126)</u>	<u>(24,612)</u>	<u>(50,514)</u>	-205.2%
Total net position	<u>\$ 1,189,589</u>	<u>770,753</u>	<u>418,836</u>	54.3%

ST. LAWRENCE COUNTY PROPERTY DEVELOPMENT CORPORATION
(A Discretely Presented Component Unit of St. Lawrence County, New York)
Management's Discussion and Analysis, Continued

Changes in the SLCPDC's net position can be determined by reviewing the following condensed statements of revenue, expenses and changes in net position for the years ended December 31, 2025, 2024 and 2023.

Condensed Statements of Revenue, Expenses and Changes in Net Position

	<u>2025</u>	<u>2024</u>	<u>Change</u>	<u>Percentage Change</u>
Revenue:				
Grant income	\$ 19,376	500,000	(480,624)	-96.1%
Rental income	60,285	-	60,285	100.0%
Other income	<u>2,542</u>	<u>4,646</u>	<u>(2,104)</u>	-45.3%
Total revenue	<u>82,203</u>	<u>504,646</u>	<u>(422,443)</u>	-83.7%
Expenses:				
Depreciation	30,650	30,650	-	0.0%
Property related expenses	21,101	33,956	(12,855)	-37.9%
Administration	11,907	14,534	(2,627)	-18.1%
Legal fees	29,546	661	28,885	4369.9%
Other expenses	<u>8,645</u>	<u>6,009</u>	<u>2,636</u>	43.9%
Total expenses	<u>101,849</u>	<u>85,810</u>	<u>16,039</u>	18.7%
Change in net position	(19,646)	418,836	(438,482)	-104.7%
Net position at beginning of year	<u>1,189,589</u>	<u>770,753</u>	<u>418,836</u>	54.3%
Net position at end of year	<u>\$ 1,169,943</u>	<u>1,189,589</u>	<u>(19,646)</u>	-1.7%

ST. LAWRENCE COUNTY PROPERTY DEVELOPMENT CORPORATION
(A Discretely Presented Component Unit of St. Lawrence County, New York)
Management's Discussion and Analysis, Continued

	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>Percentage Change</u>
Revenue:				
Grant income	\$ 500,000	-	500,000	100.0%
Other income	<u>4,646</u>	<u>2,902</u>	<u>1,744</u>	60.1%
Total revenue	<u>504,646</u>	<u>2,902</u>	<u>501,744</u>	17,289.6%
Expenses:				
Depreciation	30,650	30,650	-	0.0%
Property related expenses	33,956	1,000	32,956	3,295.6%
Administration	14,534	14,467	67	0.5%
Legal fees	661	2,608	(1,947)	-74.7%
Other expenses	<u>6,009</u>	<u>6,854</u>	<u>(845)</u>	-12.3%
Total expenses	<u>85,810</u>	<u>55,579</u>	<u>30,231</u>	54.4%
Change in net position	418,836	(52,677)	471,513	895.1%
Net position at beginning of year	<u>770,753</u>	<u>823,430</u>	<u>(52,677)</u>	-6.4%
Net position at end of year	<u>\$ 1,189,589</u>	<u>770,753</u>	<u>418,836</u>	54.3%

Total assets for the year ended December 31, 2025 increased by \$709,601 due to the SLCPDC entering into a lease with the SLCIDA to rent out space at 30 Buck Street, Canton, New York. Total assets for the year ended December 31, 2024 decreased by \$53,550 primarily due to the depreciation of certain capital assets and utilization of cash and equivalents for operations.

Total liabilities for the year ended December 31, 2025 decreased by \$35,467 primarily due to the timing of payments for accounts payable. Total liabilities for the year ended December 31, 2024 decreased \$472,386 primarily due to a \$500,000 note payable to the SLCIDA-CDC being forgiven for the purposes of defraying property development expenses.

Deferred inflows of resources for the year ended December 31, 2025 increased by \$764,714 due to the SLCPDC entering into a lease with the SLCIDA to rent out space at 30 Buck Street, Canton, New York. There were no deferred inflows of resources as of December 31, 2024.

Total net position decreased by \$19,646 for the year ended December 31, 2025 and increased by \$418,836 for the year ended December 31, 2024. Significant factors for the changes in net position are described below.

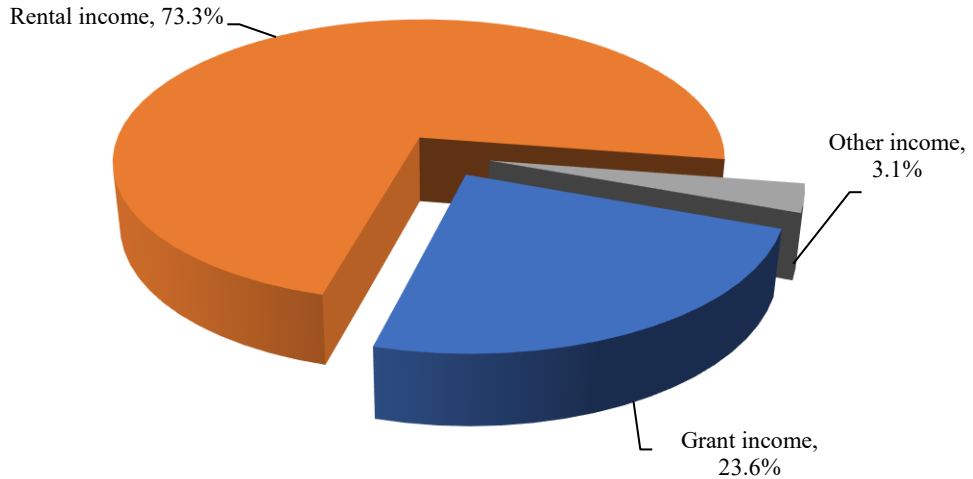
ST. LAWRENCE COUNTY PROPERTY DEVELOPMENT CORPORATION
(A Discretely Presented Component Unit of St. Lawrence County, New York)

Management's Discussion and Analysis, Continued

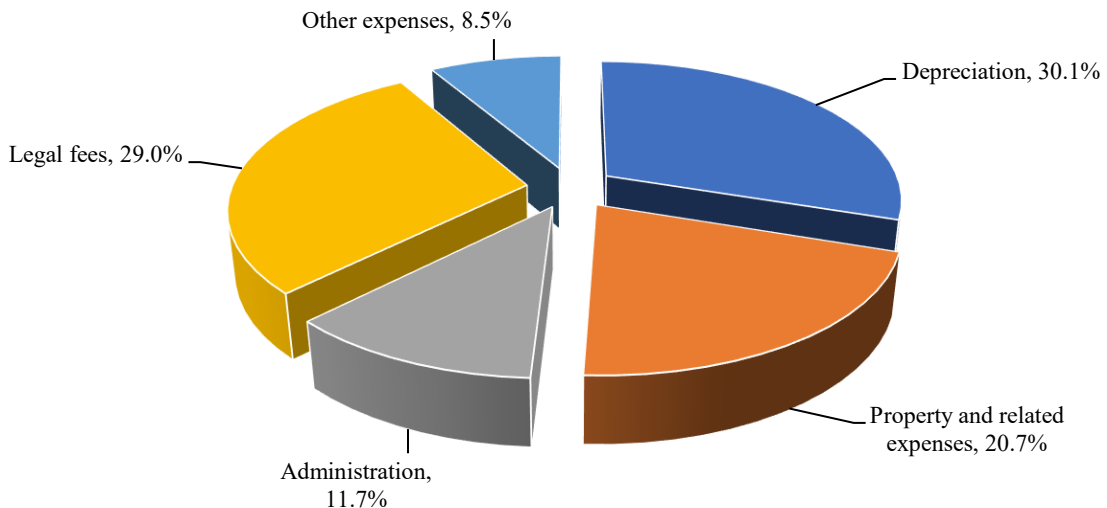
Total revenue decreased \$422,443 in 2025 and increased \$501,744 in 2024 due to the forgiveness of the \$500,000 as described above, that occurred in 2024. Additionally, with the SLCPDC entering into a lease transaction with the SLCIDA, the SLCPDC was able to generate \$60,285 of rental income for the year ended December 31, 2025.

Total expenses increased \$16,039 and \$30,231 in 2025 and 2024, respectively. Legal fees increased in 2025 due to services surrounding 30 Buck Street. Property related expenses increased in 2024 for expenses related to the winterization of 30 Buck Street.

2025 Revenue by Source

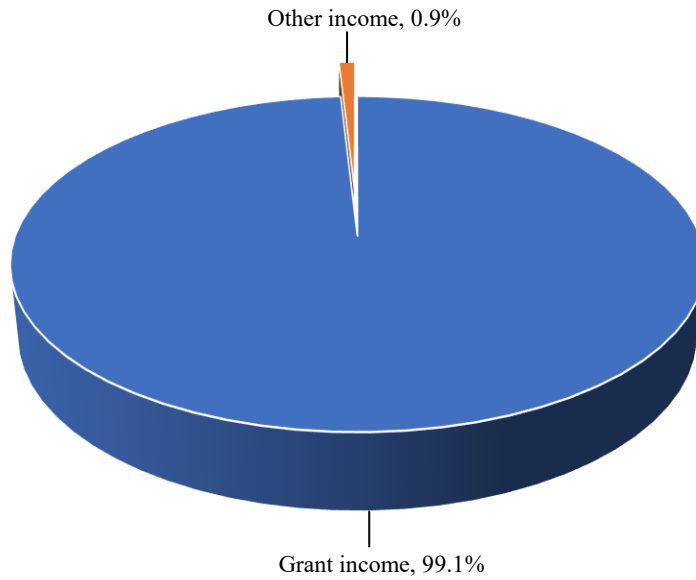


2025 Expenses by Source

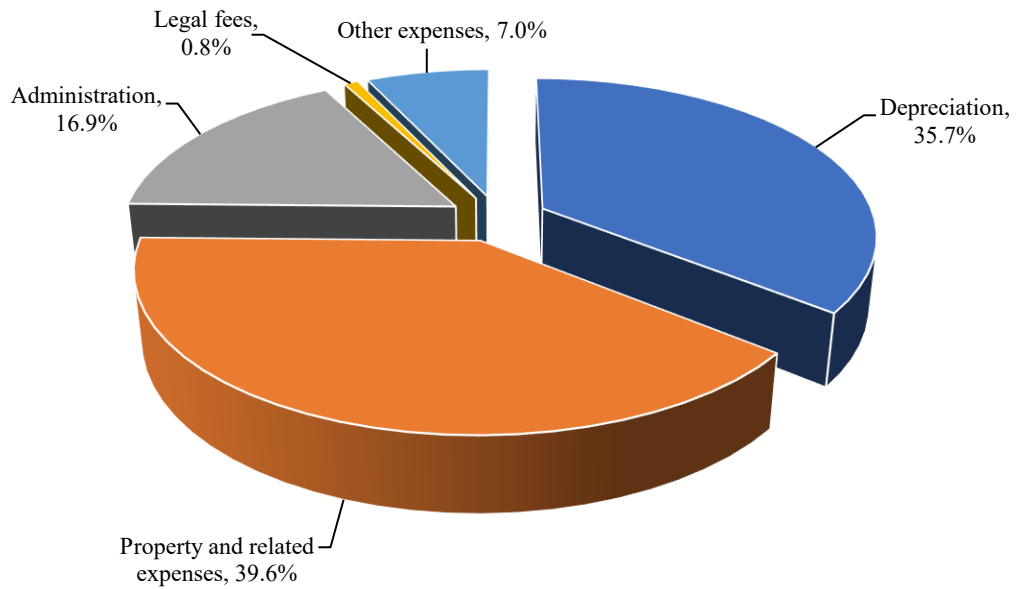


ST. LAWRENCE COUNTY PROPERTY DEVELOPMENT CORPORATION
(A Discretely Presented Component Unit of St. Lawrence County, New York)
Management's Discussion and Analysis, Continued

2024 Revenue by Source



2024 Expenses by Source



ST. LAWRENCE COUNTY PROPERTY DEVELOPMENT CORPORATION
(A Discretely Presented Component Unit of St. Lawrence County, New York)
Management's Discussion and Analysis, Continued

Changes in the SLCPDC's capital assets can be determined by reviewing the following for the years ended December 31, 2025, 2024 and 2023.

<u>Capital Assets, net</u>	<u>2025</u>	<u>2024</u>	<u>Change</u>	<u>Percentage Change</u>
Building and improvements - Patterson Street	\$ 1,226,015	1,226,015	-	0.0%
Accumulated depreciation	<u>(91,950)</u>	<u>(61,300)</u>	<u>(30,650)</u>	50.0%
	<u>\$ 1,134,065</u>	<u>1,164,715</u>	<u>(30,650)</u>	-2.6%

<u>Capital Assets, net</u>	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>Percentage Change</u>
Building and improvements - Patterson Street	\$ 1,226,015	1,226,015	-	0.0%
Accumulated depreciation	<u>(61,300)</u>	<u>(30,650)</u>	<u>(30,650)</u>	100.0%
	<u>\$ 1,164,715</u>	<u>1,195,365</u>	<u>(30,650)</u>	-2.6%

Changes in the SLCPDC's long-term debt can be determined by reviewing the following for the years ended December 31, 2025, 2024 and 2023.

<u>Long-term Debt</u>	<u>2025</u>	<u>2024</u>	<u>Change</u>	<u>Percentage Change</u>
Long-term liabilities - note payable	<u>\$ 81,568</u>	<u>86,247</u>	<u>(4,679)</u>	-5.4%

<u>Long-term Debt</u>	<u>2024</u>	<u>2023</u>	<u>Change</u>	<u>Percentage Change</u>
Long-term liabilities - note payable	<u>\$ 86,247</u>	<u>590,846</u>	<u>(504,599)</u>	-85.4%

ST. LAWRENCE COUNTY PROPERTY DEVELOPMENT CORPORATION
(A Discretely Presented Component Unit of St. Lawrence County, New York)
Management's Discussion and Analysis, Continued

CASH AND INVESTMENT POLICY

The SLCPDC 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 SLCPDC to designate depositories. In accordance with this Article, five (5) banks are designated as depositories for SLCPDC 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 SLCPDC's finances and to demonstrate the SLCPDC's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the SLCPDC's Chief Executive Officer at 19 Commerce Lane, Suite 1, Canton, New York 13617.

ST. LAWRENCE COUNTY PROPERTY DEVELOPMENT CORPORATION
(A Discretely Presented Component Unit of St. Lawrence County, New York)
Statements of Net Position
December 31, 2025 and 2024

	<u>Assets</u>	<u>2025</u>	<u>2024</u>
Current assets:			
Cash and equivalents - unrestricted		\$ 61,415	43,765
Cash and equivalents - restricted		86,000	100,000
Lease receivable, current portion		59,205	-
Accrued interest receivable		-	398
Total current assets		<u>206,620</u>	<u>144,163</u>
Noncurrent assets:			
Lease receivable, net of current portion		677,794	-
Capital assets, net		<u>1,134,065</u>	<u>1,164,715</u>
Total noncurrent assets		<u>1,811,859</u>	<u>1,164,715</u>
Total assets		<u><u>\$ 2,018,479</u></u>	<u><u>1,308,878</u></u>
<u>Liabilities, Deferred Inflows of Resources and Net Position</u>			
Current liabilities:			
Accounts payable		2,254	33,042
Note payable, current portion		<u>4,726</u>	<u>4,679</u>
Total current liabilities		6,980	37,721
Long-term liabilities - note payable, net of current portion		<u>76,842</u>	<u>81,568</u>
Total liabilities		<u>83,822</u>	<u>119,289</u>
Deferred inflows of resources - lease related		<u>764,714</u>	<u>-</u>
Net position:			
Net investment in capital assets		1,134,065	1,164,715
Restricted		86,000	100,000
Unrestricted (deficit)		<u>(50,122)</u>	<u>(75,126)</u>
Total net position		<u>1,169,943</u>	<u>1,189,589</u>
Total liabilities, deferred inflows of resources and net position		<u><u>\$ 2,018,479</u></u>	<u><u>1,308,878</u></u>

See accompanying notes to financial statements.

ST. LAWRENCE COUNTY PROPERTY DEVELOPMENT CORPORATION
(A Discretely Presented Component Unit of St. Lawrence County, New York)
Statements of Revenue, Expenses and Changes in Net Position
Years ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Operating revenue:		
Grant income	\$ 19,376	500,000
Interest income - bank	2,542	-
Rental income	60,285	-
Miscellaneous income	-	4,646
Total operating revenue	<u>82,203</u>	<u>504,646</u>
Operating expenses:		
Depreciation	30,650	30,650
Property related expenses	21,101	33,956
Accounting fees	7,181	4,450
Administration	11,907	14,534
Directors and officers insurance	-	542
Legal fees	29,546	661
Interest expense	866	942
Office expense	598	75
Total operating expenses	<u>101,849</u>	<u>85,810</u>
Change in net position	(19,646)	418,836
Net position at beginning of year	<u>1,189,589</u>	<u>770,753</u>
Net position at end of year	<u>\$ 1,169,943</u>	<u>1,189,589</u>

See accompanying notes to financial statements.

ST. LAWRENCE COUNTY PROPERTY DEVELOPMENT CORPORATION
(A Discretely Presented Component Unit of St. Lawrence County, New York)
Statements of Cash Flows
Years ended December 31, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities:		
Cash received from interest	\$ 2,940	4,248
Cash received from rental activities	88,000	-
Cash received from grantors and contributors	19,376	-
Cash paid to suppliers for goods and services	<u>(101,987)</u>	<u>(22,947)</u>
Net cash provided by (used in) operating activities	8,329	(18,699)
Cash flows from capital and related financing - principal payments on note payable	<u>(4,679)</u>	<u>(4,599)</u>
Net change in cash and equivalents	3,650	(23,298)
Cash and equivalents at beginning of year	<u>143,765</u>	<u>167,063</u>
Cash and equivalents at end of year	<u>\$ 147,415</u>	<u>143,765</u>
Supplemental schedule of cash flow information - reconciliation of cash and equivalents:		
Unrestricted	61,415	43,765
Restricted	<u>86,000</u>	<u>100,000</u>
Total cash and equivalents	<u>\$ 147,415</u>	<u>143,765</u>
Reconciliation of change in net position to net cash provided by (used in) operating activities:		
Change in net position	(19,646)	418,836
Adjustments to reconcile change in net position to net cash provided by (used in) operating activities:		
Grant income - loan forgiveness	-	(500,000)
Depreciation	30,650	30,650
Changes in:		
Accrued interest receivable	398	(398)
Lease receivable	(736,999)	-
Accounts payable	(30,788)	32,213
Deferred inflows of resources - lease related	<u>764,714</u>	<u>-</u>
Net cash provided by (used in) operating activities	<u>\$ 8,329</u>	<u>(18,699)</u>

See accompanying notes to financial statements.

ST. LAWRENCE COUNTY PROPERTY DEVELOPMENT CORPORATION
(A Discretely Presented Component Unit of St. Lawrence County, New York)

Notes to Financial Statements

December 31, 2025 and 2024

(1) Summary of Significant Accounting Policies

(a) Nature of Organization

The St. Lawrence County Property Development Corporation (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)(S) 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.

(b) Basis of Accounting

The financial statements of the SLCPDC have been prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). GASB is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

The financial statements for the year ended December 31, 2024 were previously presented in accordance with accounting principles prescribed by the Financial Accounting Standards Board. During 2025, management determined that the financial statements should be presented in accordance with accounting principles prescribed by GASB. The financial statements presentation for the year ended December 31, 2024 has been updated to reflect this change.

(c) Reporting Entity

The SLCPDC is considered a discretely presented 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."

(d) Measurement Focus

The financial statements of the SLCPDC are reported using the economic resource measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenue is recorded when earned and expenses are recorded at the time liabilities are incurred.

The SLCPDC distinguishes operating revenue and expenses from nonoperating items. Operating revenue and expenses generally result from providing services in connection with the SLCPDC's principal ongoing operations. All other revenue and expenses not meeting these definitions are reported as nonoperation revenue and expenses.

ST. LAWRENCE COUNTY PROPERTY DEVELOPMENT CORPORATION
(A Discretely Presented Component Unit of St. Lawrence County, New York)

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(e) Cash and Equivalents

Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts and short-term investments with original maturities of less than three months from the date of acquisition.

The SLCPDC's deposits and investment policies are governed by State statutes. The SLCPDC has adopted its own written investment policy which provides for the deposit of funds in Federal Deposit Insurance Corporation (FDIC) insured commercial banks or trust companies located within the State. The SLCPDC is authorized to use demand deposit accounts, time deposit accounts and certificates of deposit.

Collateral is required for demand deposit accounts, time deposit accounts and certificates of deposit at 100% of all deposits not covered by FDIC insurance. The SLCPDC has entered into custodial agreements with the various banks which hold their deposits. These agreements authorize the obligations that may be pledged as collateral. Such obligations include, among other instruments, obligations of the United States and its agencies and obligations of the State and its municipal and school district subdivisions.

Permissible investments include obligations of the U.S. Treasury, U.S. Agencies, repurchase agreements and obligations of the State or its political subdivisions.

The SLCPDC follows the provisions of GASB Statement No. 72 - "Fair Value Measurement and Application," which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. The three levels of the fair value hierarchy are described below:

- Level 1 - inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets.
- Level 2 - inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data.
- Level 3 - inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Interest rate risk is the risk that the SLCPDC will incur losses in fair value caused by changing interest rates. The SLCPDC does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates. Generally, the SLCPDC does not invest in any long-term investment obligations.

ST. LAWRENCE COUNTY PROPERTY DEVELOPMENT CORPORATION
(A Discretely Presented Component Unit of St. Lawrence County, New York)

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(e) Cash and Equivalents, Continued

Custodial credit risk is the risk that in the event of a bank failure, the SLCPDC's deposits may not be returned to it. GASB Statement No. 40 - "Deposit and Investment Risk Disclosures - an amendment of GASB Statement No. 3," directs that deposits be disclosed as exposed to custodial credit risk if they are not covered by depository insurance and the deposits are either uncollateralized, collateralized by securities held by the pledging financial institution or collateralized by securities held by the pledging financial institution's trust department but not in the SLCPDC's name. As of December 31, 2025 and 2024, the SLCPDC had no deposits exposed to custodial credit risk.

Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The SLCPDC does not have a formal credit risk policy other than restrictions to obligations allowable under General Municipal Law of the State.

Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The SLCPDC's investment policy limits the amount on deposit at each of its banking institutions.

(f) Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

(g) Lease Receivable

The SLCPDC is a lessor of a lease of a building. As a result, the SLCPDC recognizes a lease receivable and a deferred inflows of resources in the financial statements.

At the commencement of a lease, the SLCPDC initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows of resources is recognized as revenue on the straight-line basis over the life of the lease term.

Key estimates and judgements include how the SLCPDC determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease-term, and (3) lease receipts. The SLCPDC uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes periods covered by the lease, including periods to extend or terminate the lease, if it is reasonably certain those options will be exercised. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

ST. LAWRENCE COUNTY PROPERTY DEVELOPMENT CORPORATION
(A Discretely Presented Component Unit of St. Lawrence County, New York)

Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(g) Lease Receivable, Continued

The SLCPDC monitors changes in circumstances that would require remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amounts of the lease.

(h) 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	40 years
Building improvements	2,500	Straight line	10 years

(i) Net Position Classification

Net position represents the difference between assets and deferred outflows of resources less liabilities and deferred inflows of resources. Net position is classified in three components: net investment in capital assets, restricted and unrestricted.

Net Investment in Capital Assets - consists of capital assets, net of accumulated depreciation and increased or reduced by outstanding balances of bonds and other debt and related components that are attributable to the acquisition, construction or improvement of those assets.

Restricted Net Position - consists of amounts which have external constraints placed on their use imposed by creditors, grantors, contributors, or laws or regulations.

Unrestricted Net Position - Reports all other net positions that do not meet the definition of the above classifications.

(j) Subsequent events

SLCPDC has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

(2) Lease Transactions

The SLCPDC entered into an agreement with the St. Lawrence County Industrial Development Agency to lease a facility located at 30 Buck Street, Canton, New York, for \$8,000 per month, until December 31, 2026, at which time payments will decrease to \$4,000 per month, commencing February 1, 2025 through December 31, 2052. Interest is calculated at 4.77%. As of December 31, 2025, the lease receivable was \$736,999 and the related deferred inflows of resources were \$764,714.

ST. LAWRENCE COUNTY PROPERTY DEVELOPMENT CORPORATION
(A Discretely Presented Component Unit of St. Lawrence County, New York)

Notes to Financial Statements, Continued

(2) Lease Transactions, Continued

The following is the amortization schedule for the lease receivable and related deferred inflows of resources:

<u>Year ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>	<u>Deferred Inflows of Resources</u>
2026	\$ 59,205	36,795	96,000	28,323
2027	11,912	36,088	48,000	28,323
2028	12,653	35,347	48,000	28,323
2029	13,431	34,569	48,000	28,323
2030	14,246	33,754	48,000	28,323
2031-2035	84,926	155,074	240,000	141,614
2036-2040	112,178	127,822	240,000	141,614
2041-2045	146,753	93,247	240,000	141,614
2046-2050	190,620	49,380	240,000	141,614
2051-2052	<u>91,075</u>	<u>4,925</u>	<u>96,000</u>	<u>56,643</u>
Total	\$ <u>736,999</u>	<u>607,001</u>	<u>1,344,000</u>	<u>764,714</u>

(3) Capital Assets

Capital assets as of and for the years ended December 31, 2025 and 2024 consisted of:

	<u>Balance at 12/31/2024</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at 12/31/2025</u>
Capital assets being depreciated:				
Historical cost - building and improvements - Patterson Street	\$ 1,226,015	-	-	1,226,015
Accumulated depreciation - building and improvements - Patterson Street	<u>(61,300)</u>	<u>(30,650)</u>	<u>-</u>	<u>(91,950)</u>
	\$ <u>1,164,715</u>	<u>(30,650)</u>	<u>-</u>	<u>1,134,065</u>
	<u>Balance at 12/31/2023</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance at 12/31/2024</u>
Capital assets being depreciated:				
Historical cost - building and improvements - Patterson Street	\$ 1,226,015	-	-	1,226,015
Accumulated depreciation - building and improvements - Patterson Street	<u>(30,650)</u>	<u>(30,650)</u>	<u>-</u>	<u>(61,300)</u>
	\$ <u>1,195,365</u>	<u>(30,650)</u>	<u>-</u>	<u>1,164,715</u>

ST. LAWRENCE COUNTY PROPERTY DEVELOPMENT CORPORATION
(A Discretely Presented Component Unit of St. Lawrence County, New York)

Notes to Financial Statements, Continued

(3) Capital Assets, Continued

Depreciation expense charged to operations for the years ended December 31, 2025 and 2024 was \$30,650.

(4) Note Payable

Note payable at December 31, 2025 and 2024 consists of the following:

	<u>2025</u>	<u>2024</u>
Development Authority of the North Country - Promissory Note dated July 1, 2021 for \$100,000, with interest at 1% and annual payments of \$5,542 for a term of 20 years; secured by collateral consisting of a \$86,000 and \$100,000 certificate of deposit as of December 31, 2025 and 2024, respectively, under a Security Agreement.	\$ 81,568	86,247
Less current portion	<u>(4,726)</u>	<u>(4,679)</u>
Note payable, net of current portion	\$ <u>76,842</u>	<u>81,568</u>

Future minimum payments on the note payable are as follows:

<u>Year ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 4,726	815	5,541
2027	4,773	768	5,541
2028	4,821	720	5,541
2029	4,869	672	5,541
2030	4,918	623	5,541
2031 - 2035	25,336	2,369	27,705
2036 - 2040	26,629	1,076	27,705
2041	<u>5,496</u>	<u>45</u>	<u>5,541</u>
	\$ <u>81,568</u>	<u>7,088</u>	<u>88,656</u>

(5) Contingencies

There exists a ten-year grant recapture rider under the terms of a grant award of \$100,000 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 Paterson Street property. It is possible that the recapture rider could 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, 2025 and 2024, was \$50,000 and \$60,000, respectfully.

ST. LAWRENCE COUNTY PROPERTY DEVELOPMENT CORPORATION
(A Discretely Presented Component Unit of St. Lawrence County, New York)

Notes to Financial Statements, Continued

(6) 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. There were no financial transaction between the SLCPDC and SLCIDA-LDC during the years ended December 31, 2025 and 2024.

On February 27, 2024, the SLCIDA-CDC Board of Directors approved board resolution CDC-24-02-01 to convert the SLCPDC loan for the economic development project at the 100 Paterson Street facility to a grant of \$500,000 from the SLCIDA-CDC for the purposes of defraying property development expenses.

(7) Accounting Standards Issued But Not Yet Implemented

GASB has issued the following pronouncements which will be implemented in the years required. The effects of the implementation of these pronouncements are not known at this time.

Statement No. 103 - Financial Reporting Model Improvements. Effective for fiscal years beginning after June 15, 2025.

Statement No. 104 - Disclosure of Certain Capital Assets. Effective for fiscal years beginning after June 15, 2025.

Statement No. 105 - Subsequent Events. Effective for fiscal years beginning after June 15, 2026.

**INDEPENDENT AUDITORS' 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**

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 discretely presented component unit of St. Lawrence County, New York, which as of and for the year ended December 31, 2025, and the related notes to financial statements, which collectively comprise the SLCPDC's basic financial statements, and have issued our report thereon dated March 26, 2026.

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 SLCPDC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

EFPR Group, CPAs, PLLC

Williamsville, New York
March 26, 2026

INDEPENDENT AUDITORS' REPORT ON INVESTMENT COMPLIANCE
AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE
REQUIRED BY THE INVESTMENT GUIDELINES

The Board of Directors
St. Lawrence County Property Development Corporation:

Report on Investment Compliance

Opinion on Investment Compliance

We have audited the St. Lawrence County Property Development Corporation (the SLCPDC), a discretely presented component unit of St. Lawrence County, New York, compliance with the types of compliance requirements identified as subject to audit in Section 2925(3)(f) of the New York State Public Authorities Law (the investment guidelines) that could have a direct and material effect on its investments for the year ended December 31, 2025.

In our opinion, the SLCPDC complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its investments for the year ended December 31, 2025.

Basis for Opinion on Investment Compliance

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, and the audit requirements of the investment guidelines. Our responsibilities under those standards and the investment guidelines are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the SLCPDC and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance with the investment guidelines. Our audit does not provide a legal determination of the SLCPDC's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the SLCPDC's investments.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the SLCPDC's compliance based on our audit. 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 GAAS, Government Auditing Standards, and the investment guidelines will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the SLCPDC's compliance with the requirements of the investment guidelines as a whole.

In performing an audit in accordance with GAAS, Government Auditing Standards, and the investment guidelines, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 SLCPDC's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the SLCPDC's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the investment guidelines, but not for the purpose of expressing an opinion on the effectiveness of SLCPDC's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the investment guidelines. Accordingly, this report is not suitable for any other purpose.

EFPR Group, CPAs, PLLC

Williamsville, New York
March 26, 2026