

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

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
St. Lawrence County Industrial Development
Agency - Civic Development Corporation:

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of St. Lawrence County Industrial Development Agency - Civic Development Corporation (SLCIDA-CDC), 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 SLCIDA-CDC's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the SLCIDA-CDC as of December 31, 2025 and 2024, and the changes in financial position 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 (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 SLCIDA-CDC 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 SLCIDA-CDC'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 SLCIDA-CDC'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 SLCIDA-CDC'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 SLCIDA-CDC'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 SLCIDA-CDC's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering SLCIDA-CDC's internal control over financial reporting and compliance.

EFPR Group, CPAs, PLLC

Williamsville, New York
March 26, 2026

ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT
AGENCY - CIVIC 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 Industrial Development Agency - Civic Development Corporation's (SLCIDA-CDC) financial performance provides an overview of the SLCIDA-CDC's financial activities for the years ended December 31, 2025 and 2024. Please read it in conjunction with the SLCIDA-CDC's financial statements.

HIGHLIGHTS

Financial Highlights

- The Board designated net position for the SLCIDA-CDC at December 31, 2025 and 2024, was \$12,195 and \$14,168, respectively. Unrestricted net position was \$157,105 and \$33,682, respectively.
- One project closed generating \$312,500 in project fees for the year ended December 31, 2025. Of this amount, \$156,250 was transferred to the St. Lawrence County Industrial Development Agency. There were no projects closed for the year ended December 31, 2024.

USING ANNUAL REPORT

This annual report consists of two parts: management's discussion and analysis and basic financial statements. The basic financial statements also include notes that explain in more detail some of the information in the financial statements.

ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT
AGENCY - CIVIC DEVELOPMENT CORPORATION

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Management's Discussion and Analysis, Continued

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the SLCIDA-CDC's basic financial statements. The financial statements of the SLCIDA-CDC 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 SLCIDA-CDC's overall financial status. The SLCIDA-CDC's basic financial statements include a statement of net position; a statement of revenues, expenses and changes in net position; a statement of cash flows; and notes to financial statements.

The statements of net position presents information on all of the SLCIDA-CDC's assets, and liabilities, 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 SLCIDA-CDC 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. This statement measures the success of the SLCIDA-CDC's operations over the past year and can be used to determine whether the SLCIDA-CDC 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 SLCIDA-CDC's cash receipts and cash payments during the fiscal year. The statements report cash receipts, cash payments and net changes in cash resulting from operating and investing activities. The purpose of these statements is to tell the user where the SLCIDA-CDC's cash came from, what the cash was used for, and by how much the cash balance changed over the course of the fiscal year.

Notes to 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 SLCIDA-CDC, assets exceeded liabilities by \$169,300 as of December 31, 2025. The SLCIDA-CDC's financial position is the product of several financial transactions including the net results of activities, the issuance of loans, the collection of payments from such loans, and fees collected from the issuance of bonds.

The following tables present a summary of the SLCIDA-CDC's net position for the years ended December 31, 2025, 2024 and 2023.

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Management's Discussion and Analysis, Continued

Condensed Statements of Net Position

	<u>2025</u>	<u>Variance</u>	<u>2024</u>	<u>Variance</u>	<u>2023</u>
Current assets	\$ 171,175	121,063	50,112	(513,305)	563,417
Other long-term assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>(5,416)</u>	<u>5,416</u>
Total assets	<u>171,175</u>	<u>121,063</u>	<u>50,112</u>	<u>(518,721)</u>	<u>568,833</u>
Total liabilities	<u>1,875</u>	<u>(387)</u>	<u>2,262</u>	<u>2,137</u>	<u>125</u>
Total net position	<u>\$ 169,300</u>	<u>121,450</u>	<u>47,850</u>	<u>(520,858)</u>	<u>568,708</u>

Changes in the SLCIDA-CDC's current assets and 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 Activities

	<u>2025</u>	<u>Variance</u>	<u>2024</u>	<u>Variance</u>	<u>2023</u>
Revenue:					
Project fees	\$ 312,500	312,500	-	-	-
Interest income	<u>127</u>	<u>(539)</u>	<u>666</u>	<u>(407)</u>	<u>1,073</u>
Total revenue	<u>312,627</u>	<u>311,961</u>	<u>666</u>	<u>(407)</u>	<u>1,073</u>
Expenses:					
Grant expense	-	(500,000)	500,000	500,000	-
Other expenses	<u>34,927</u>	<u>13,403</u>	<u>21,524</u>	<u>(3,424)</u>	<u>24,948</u>
Total expenses	<u>34,927</u>	<u>(486,597)</u>	<u>521,524</u>	<u>496,576</u>	<u>24,948</u>
Income (loss) before transfers	277,700	798,558	(520,858)	(496,983)	(23,875)
Transfers to affiliates	<u>(156,250)</u>	<u>(156,250)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position	121,450	642,308	(520,858)	(496,983)	(23,875)
Net position at beginning of year	<u>47,850</u>	<u>(520,858)</u>	<u>568,708</u>	<u>(23,875)</u>	<u>592,583</u>
Net position at end of year	<u>\$ 169,300</u>	<u>121,450</u>	<u>47,850</u>	<u>(520,858)</u>	<u>568,708</u>

ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT
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Management's Discussion and Analysis, Continued

- One project closed generating \$312,500 in project fees for the year ended December 31, 2025. Of this amount, \$156,250 was transferred to the St. Lawrence County Industrial Development Agency. There were no projects closed for the year ended December 31, 2024.
- On February 27, 2024, the Board approved resolution #CDC-24-02-01 to convert the SLCPDC loan to a grant for the purposes of defraying property development expenses. Accordingly, the SLCIDA-CDC recognized \$500,000 of grant expense related to this conversion during the year ended December 31, 2024.

CASH AND INVESTMENT POLICY

The SLCIDA-CDC 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 SLCIDA-CDC to designate depositories. In accordance with this Article, five (5) banks are designated as depositories for SLCIDA-CDC funds. Rates are competitively procured for each deposit. Once the funds exceed the FDIC insurance, they are divided with no more than 60% of its total investments in any one institution.

CONTACTING THE SLCIDA-CDC'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, customers, and creditors with a general overview of the SLCIDA-CDC's finances and to demonstrate the SLCIDA-CDC's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the SLCIDA-CDC's Chief Executive Officer at 19 Commerce Lane, Suite 1, Canton, New York 13617.

ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT
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 (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		\$ 158,980	30,496
Cash and equivalents - Board designated		12,195	14,168
Note receivable		-	5,440
Accrued interest receivable		-	8
Total assets		\$ 171,175	50,112
	<u>Liabilities</u>		
Accounts payable		1,875	2,262
	<u>Net Position</u>		
Unrestricted		157,105	33,682
Unrestricted - Board designated		12,195	14,168
Total net position		169,300	47,850
Total liabilities and net position		\$ 171,175	50,112

See accompanying notes to financial statements.

ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT
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 (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:		
Project fees	\$ 312,500	-
Interest income:		
Loans	51	609
Banks	<u>76</u>	<u>57</u>
Total operating revenue	<u>312,627</u>	<u>666</u>
Operating expenses:		
Grant expense	-	500,000
Contracted services	11,907	14,534
Professional fees	22,171	5,636
Insurance	650	542
Office	<u>199</u>	<u>812</u>
Total operating expenses	<u>34,927</u>	<u>521,524</u>
Operating income (loss)	277,700	(520,858)
Nonoperating expense - transfer to affiliate	<u>(156,250)</u>	<u>-</u>
Change in net position	121,450	(520,858)
Net position at beginning of year	<u>47,850</u>	<u>568,708</u>
Net position at end of year	<u>\$ 169,300</u>	<u>47,850</u>

See accompanying notes to financial statements.

ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT
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 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 project fees	\$ 312,500	-
Cash received from interest	135	965
Cash paid for goods and services	<u>(35,314)</u>	<u>(19,387)</u>
Net cash provided by (used in) operating activities	277,321	(18,422)
Cash flows from investing activities - payments received on notes receivable	5,440	22,247
Cash flows from noncapital financing activities - transfer to affiliate	<u>(156,250)</u>	<u>-</u>
Net change in cash and equivalents	126,511	3,825
Cash and equivalents at beginning of year	<u>44,664</u>	<u>40,839</u>
Cash and equivalents at end of year	<u>\$ 171,175</u>	<u>44,664</u>
Supplemental schedule of cash flows information - classification of cash and equivalents:		
Unrestricted	158,980	30,496
Board designated	<u>12,195</u>	<u>14,168</u>
	<u>\$ 171,175</u>	<u>44,664</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	277,700	(520,858)
Conversion of notes receivable to grant expense	-	500,000
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Accrued interest receivable	8	299
Accounts payable	<u>(387)</u>	<u>2,137</u>
Net cash provided by (used in) operating activities	<u>\$ 277,321</u>	<u>(18,422)</u>

See accompanying notes to financial statements.

ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT
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Notes to Financial Statements

December 31, 2025 and 2024

(1) Summary of Significant Accounting Policies

(a) Nature of Organization

The St. Lawrence County Industrial Development Agency - Civic Development Corporation (SLCIDA-CDC) was established on April 13, 2010 pursuant to Section 402 of the Not-for-Profit Corporation Law of the State of New York as a local development corporation under Section 1411 of the Law, for the purpose of, among other things, relieving and reducing unemployment, promoting and providing for additional and maximum employment, bettering and maintaining job opportunities, and lessening the burdens of government and acting in the public interest. The establishment of the SLCIDA-CDC was authorized by the County of St. Lawrence, New York (the County) on April 5, 2010 to support these purposes, and as such the SLCIDA-CDC has the powers to issue bonds, notes, and other obligations for the benefit of not-for-profit and governmental entities considered essential to the continued development, construction, improvement, and operation of projects for these entities. The SLCIDA-CDC may also support the project development activities of the St. Lawrence County Industrial Development Agency (the SLCIDA) and the St. Lawrence County Industrial Development Agency-Local Development Corporation (SLCIDA-LDC).

Also, the SLCIDA-CDC is considered a “public authority” of New York State and must submit an annual report to the New York State Authorities Budget Office. The SLCIDA-CDC has one sole member, the County, and a Board of Directors appointed by the County. Those individuals appointed by the County to serve as members of the Agency shall automatically become Directors of the SLCIDA-CDC. In addition, the bylaws of the SLCIDA-CDC can be amended by the County, thus establishing its governance and control of the SLCIDA-CDC.

Based on the preceding, a CHAR 410 with Exhibit E requesting exemption under Article 7-A and EPTL as an organization controlled by a government agency has been filed with New York State. The SLCIDA-CDC is exempt from federal, state and local income taxes and exempt from federal reporting requirements under Internal Revenue Procedure 95-48, 1995-2 C.B. 418 as a government unit or affiliate of a governmental unit described in such procedure. Also, the SLCIDA-CDC is exempt from state income tax reporting requirements under Article 7-A and EPTL.

(b) Basis of Accounting

The financial statements of SLCIDA-CDC have been prepared in conformity with generally accepted accounting principles (GAAP). Those principles are established by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Significant accounting principles and policies utilized by the SLCIDA-CDC are described below.

ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT
AGENCY - CIVIC 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

(c) Reporting Entity

The SLCIDA-CDC is considered a discretely presented component unit of the financial reporting entity known as the County based upon criteria set forth by GASB Statement No. 14 - "The Financial Reporting Entity, as amended."

(d) Measurement Focus

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

(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 SLCIDA-CDC's deposits and investment policies are governed by State statutes. The SLCIDA-CDC 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 SLCIDA-CDC 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 SLCIDA-CDC 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.

ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT
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Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(e) Cash and Equivalents, Continued

The SLCIDA-CDC 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 SLCIDA-CDC will incur losses in fair value caused by changing interest rates. The SLCIDA-CDC 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 SLCIDA-CDC does not invest in any long-term investment obligations.

Custodial credit risk is the risk that in the event of a bank failure, the SLCIDA-CDC'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 SLCIDA-CDC's name. As of December 31, 2025 and 2024, the SLCIDA-CDC 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 SLCIDA-CDC 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 SLCIDA-CDC's investment policy limits the amount on deposit at each of its banking institutions.

(f) Allowance for Uncollectible Accounts

The SLCIDA-CDC has elected not to establish an allowance for uncollectible accounts since all receivables are deemed collectible. An allowance will be established when an event occurs in the future that would necessitate a reserve.

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Notes to Financial Statements, Continued

(1) Summary of Significant Accounting Policies, Continued

(g) 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.

(h) 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 net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets. The SLCIDA-CDC had no net investment in capital assets at December 31, 2025 and 2024.

Restricted Net Position - Consists of amounts which have external constraints placed on their use imposed by creditors, grantors, contributors, or laws or regulations. The SLCIDA-CDC had no restricted net position at December 31, 2025 and 2024.

Unrestricted - Board Designated Net Position - Consists of funds designated by the SLCIDA-CDC's governing board to be used for a particular purpose. Such designations may be changed by board action. The SLCIDA-CDC had \$12,195 and \$14,168 in board designated net position at December 31, 2025 and 2024, respectively.

Unrestricted Net Position - Reports all other net positions that do not meet the definition of the above classifications and are deemed to be available for general use by the SLCIDA- CDC. The SLCIDA-CDC had \$157,105 and \$33,682 in unrestricted net position at December 31, 2025 and 2024, respectively.

(i) Subsequent Events

The SLCIDA-CDC has evaluated subsequent events through the date of the report which is the date the financial statements were available to be issued.

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Notes to Financial Statements, Continued

(2) Note Receivable

The SLCIDA-CDC’s note receivable at December 31, 2025 and 2024 is as follows:

Cornell Cooperative Extension Association of St. Lawrence County: On March 30, 2023, the SLCIDA-CDC passed Resolution #CDC-23-03-06 authorizing a loan of up to \$25,000 to the Cornell Cooperative Extension Association of St. Lawrence County to assist with efforts to renovate and improve the classroom located at the Cornell Cooperative Extension Farm.

<u>Note Receivable</u>	<u>Date of Note</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance 2025</u>	<u>2024</u>
Cornell Coop Extension	05/04/23	5.125%	25,000	\$ <u> -</u>	<u>5,440</u>

(3) Related-Party Transactions

The SLCIDA-CDC is related to the SLCIDA through common board membership and officers.

The SLCIDA-CDC is authorized to remit one-half of the bond fees received by SLCIDA- CDC to the SLCIDA. There are no restrictions on these payments and payments are made in accordance with enabling legislation and in accordance with resolution CDC-10-10-17, passed on October 10, 2010. This resolution adopted a policy which authorized the transfer to the SLCIDA of 50% of any and all Project/Bond Fees the SLCIDA-CDC receives. The SLCIDA-CDC transferred \$156,250 to the SLCIDA during the year ended December 31, 2025. There were no amounts transferred during the year ended December 31, 2024.

The SLCIDA-CDC is related to the SLCIDA-LDC through common board membership and officers. During 2025 and 2024, the SLCIDA-CDC paid SLCIDA-LDC for management fees in the amount of \$11,907 and \$14,534, respectively.

The SLCIDA-CDC is related to the St. Lawrence County Property Development Corporation (SLCPDC) through common board membership and officers. During 2021, the SLCPDC borrowed funds from SLCIDA-CDC in the amount of \$500,000 for rehabilitating the building formerly known as the Newell building in the City of Ogdensburg, New York. On February 27, 2024, the Board approved resolution #CDC-24-02-01 to convert the SLCPDC loan to a grant for the purposes of defraying property development expenses. Accordingly, the SLCIDA-CDC recognized \$500,000 of grant expense related to this conversion during the year ended December 31, 2024.

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AGENCY - CIVIC DEVELOPMENT CORPORATION

(A Discretely Presented Component Unit of St. Lawrence County, New York)

Notes to Financial Statements, Continued

(4) Litigation

In December 2022, the SLCIDA-CDC completed a bond financing with St. Lawrence University. Following the transaction, the SLCIDA-CDC's project fee was misdirected due to an email security breach, resulting in the funds being sent to an unauthorized account. The SLCIDA-CDC is working with law enforcement and the parties involved to recover the payment, and the investigation remains ongoing. The SLCIDA-CDC has not recorded the project fee revenue as of December 31, 2025 and 2024.

(5) 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 Industrial Development
Agency- Civic 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 Industrial Development Agency - Civic Development Corporation (SLCIDA-CDC), a discretely presented component unit of St. Lawrence County, New York, as of and for the year ended December 31, 2025, and the related notes to financial statements, which collectively comprise the SLCIDA-CDC'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 the SLCIDA-CDC'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 SLCIDA-CDC's internal control. Accordingly, we do not express an opinion on the effectiveness of the SLCIDA-CDC'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 SLCIDA-CDC's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

Purpose of this Report

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

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 Industrial Development
Agency - Civic Development Corporation:

Report on Investment Compliance

Opinion on Investment Compliance

We have audited the St. Lawrence County Industrial Development Agency - Civic Development Corporation (the SLCIDA-CDC), 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 SLCIDA-CDC 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 SLCIDA-CDC 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 SLCIDA-CDC'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 SLCIDA-CDC'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 SLCIDA-CDC'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 SLCIDA-CDC'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 SLCIDA-CDC'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 SLCIDA-CDC'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 SLCIDA-CDC'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