

ST. LAWRENCE COUNTY
LOCAL DEVELOPMENT CORPORATION
CANTON, NEW YORK

FINANCIAL STATEMENTS

DECEMBER 31, 2013 AND 2012

ST. LAWRENCE COUNTY LOCAL DEVELOPMENT CORPORATION
DECEMBER 31, 2013 AND 2012
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
St. Lawrence County Local Development Corporation
19 Commerce Lane, Suite 1
Canton, New York 13617

We have audited the accompanying financial statements of the St. Lawrence County Local Development Corporation (SLC LDC), (a nonprofit organization), which comprise the statements of financial position as of December 31, 2013 and 2012, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

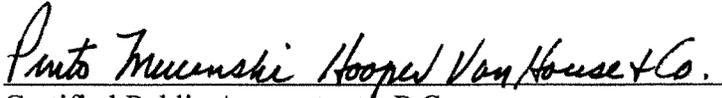
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the SLC LDC's preparation and fair presentation of the financial statements 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 SLC LDC's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the

reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the SLC LDC as of December 31, 2013 and 2012 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.


Prato Mucenski Hooper Van House & Co.

Certified Public Accountants, P.C.

Ogdensburg, New York

March 3, 2014

ST. LAWRENCE COUNTY LOCAL DEVELOPMENT CORPORATION
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2013 AND 2012

EXHIBIT I

	<u>2013</u>	<u>2012</u>
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 86,300	\$ 50,240
Loans Receivable - Current	65,868	64,104
Accrued Interest Receivable	<u>1,672</u>	<u>1,287</u>
Total Current Assets	<u>153,840</u>	<u>115,631</u>
<u>Other Assets</u>		
Loans Receivable	228,504	272,747
Less: Current Portion Above	<u>65,868</u>	<u>64,104</u>
Total Other Assets	<u>162,636</u>	<u>208,643</u>
TOTAL ASSETS	<u><u>316,476</u></u>	<u><u>324,274</u></u>
<u>LIABILITIES AND NET ASSETS</u>		
Total Liabilities	<u>-</u>	<u>-</u>
<u>Net Assets</u>		
Unrestricted	110	110
Unrestricted - Board Designated	<u>316,366</u>	<u>324,164</u>
Total Net Assets	<u>316,476</u>	<u>324,274</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 316,476</u></u>	<u><u>\$ 324,274</u></u>

ST. LAWRENCE COUNTY LOCAL DEVELOPMENT CORPORATION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

EXHIBIT II

	<u>2013</u>	<u>2012</u>
<u>UNRESTRICTED-BOARD DESIGNATED - NET ASSETS</u>		
Support		
Interest Income	\$ 10,781	\$ 8,238
Other Income	<u>1,275</u>	<u>630</u>
TOTAL BOARD DESIGNATED SUPPORT	<u>12,056</u>	<u>8,868</u>
Expenses		
Program Services	<u>6,500</u>	<u>12,808</u>
Supporting Services		
Management and General	<u>13,354</u>	<u>15,148</u>
TOTAL EXPENSES	<u>19,854</u>	<u>27,956</u>
INCREASE (DECREASE) IN UNRESTRICTED-BOARD DESIGNATED NET ASSETS	<u>(7,798)</u>	<u>(19,088)</u>
INCREASE (DECREASE) IN NET ASSETS	(7,798)	(19,088)
NET ASSETS - BEGINNING OF YEAR	<u>324,164</u>	<u>343,252</u>
NET ASSETS - END OF YEAR	<u>\$ 316,366</u>	<u>\$ 324,164</u>
<u>TEMPORARILY RESTRICTED - NET ASSETS</u>		
Support		
Grant Income	<u>\$ -</u>	<u>\$ -</u>
TOTAL TEMPORARILY RESTRICTED SUPPORT	<u>-</u>	<u>-</u>
Expenses		
Program Services	<u>-</u>	<u>5,207</u>
TOTAL EXPENSES	<u>-</u>	<u>5,207</u>
INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	<u>-</u>	<u>(5,207)</u>
INCREASE (DECREASE) IN NET ASSETS	-	(5,207)
NET ASSETS - BEGINNING OF YEAR	<u>-</u>	<u>5,207</u>
NET ASSETS - END OF YEAR	<u>\$ -</u>	<u>\$ -</u>

ST. LAWRENCE COUNTY LOCAL DEVELOPMENT CORPORATION
STATEMENTS OF CASH FLOWS
DECEMBER 31, 2013 AND 2012

EXHIBIT III

	<u>2013</u>	<u>2012</u>
<u>OPERATING ACTIVITIES</u>		
Increase (Decrease) in Net Assets	\$ (7,798)	\$ (24,295)
Change in Operating Assets and Liabilities:		
Accrued Interest Receivable	(385)	158
Grants Receivable	-	5,727
Prepaid Expenses	-	7,500
	<u>(8,183)</u>	<u>(10,910)</u>
<u>NET CASH PROVIDED BY OPERATING ACTIVITIES</u>		
<u>INVESTING ACTIVITIES</u>		
Small Business Loans - New	(20,000)	(101,121)
Small Business Loans - Payments	57,743	68,089
Small Business Loans - Write Offs	6,500	12,808
	<u>44,243</u>	<u>(20,224)</u>
<u>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</u>		
<u>FINANCING ACTIVITIES</u>	<u>-</u>	<u>-</u>
<u>NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES</u>		
<u>NET INCREASE IN CASH AND CASH EQUIVALENTS</u>	36,060	(31,134)
<u>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</u>	<u>50,240</u>	<u>81,374</u>
<u>CASH AND CASH EQUIVALENTS - END OF YEAR</u>	<u>\$ 86,300</u>	<u>\$ 50,240</u>

ST. LAWRENCE COUNTY LOCAL DEVELOPMENT CORPORATION
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

EXHIBIT IV

	<u>2013</u>		<u>2012</u>	
	<u>Program</u> <u>Services</u> <u>Loans & Grants</u>	<u>Supporting</u> <u>Services</u> <u>Management</u> <u>and General</u> <u>Expenses</u>	<u>Program</u> <u>Services</u> <u>Loans & Grants</u>	<u>Supporting</u> <u>Services</u> <u>Management</u> <u>and General</u> <u>Expenses</u>
		<u>Total</u>		<u>Total</u>
Professional Fees and Contracts	\$ -	\$ 5,854	\$ -	\$ 7,648
Administrative Fees	-	7,500	-	7,500
Community Development Grants	-	-	5,207	5,207
Bad Debts - Small Business Loans	6,500	6,500	12,808	12,808
Total Expenses	\$ 6,500	\$ 13,354	\$ 18,015	\$ 15,148
		\$ 19,854		\$ 33,163

See Independent Auditor's Report. The accompanying notes are an integral part of these financial statements.

ST. LAWRENCE COUNTY LOCAL DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Financial Statement Presentation

The Corporation has adopted *Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Corporations."* Under *SFAS No. 117*, the Corporation is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Corporation is required to present a statement of cash flows.

B. Contributions

The Corporation has also adopted *SFAS No. 116, "Accounting for Contributions Received and Contributions Made"*. In accordance with *SFAS No. 116*, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature or any donor restrictions.

C. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles required management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

D. Cash and Cash Equivalents

For the purposes of the statements of cash flows, the Corporation considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

E. Income Taxes

ST. LAWRENCE COUNTY LOCAL DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

The Corporation was determined to be exempt from Federal Income Tax under section 501(c)(3) of the Internal Revenue Code shortly after formation.

Accounting principles generally accepted in the United States of America require the Corporation to evaluate all significant tax positions. As of 12/31/13 the Corporation does not believe that it has taken any positions that would require the recording of any tax liability, nor does it believe that there any unrealized tax benefits that should be recorded or that would increase or decrease within the next year.

NOTE 2 – HISTORY AND BASIS OF STATEMENT PRESENTATION

The St. Lawrence County Local Development Corporation (Corporation) is a Not-For-Profit Corporation formed under the Not-For-Profit Corporation Law of the State of New York as defined in subparagraph (a)(5) of Section 402 of the Law. The Corporation was formed on January 27, 1977 for the purpose of relieving and reducing unemployment and to promote and provide for additional and maximum employment in the County.

The Corporation performs several functions in promoting the furtherance of business in the County including the administration of Federal and State grants for the purpose of providing maximum employment for its citizens.

On July 18, 2012, the Corporation authorized amendments to its Bylaws and Certificate of Incorporation to amend and modify the Corporation's membership requirements. The amendments automatically extended membership on the Corporation's Board to all members of the Board of Directors of the St. Lawrence County Industrial Development Agency.

NOTE 3 - LOANS RECEIVABLE

The Corporation carries its loans receivable at cost recognizing interest income on the accrual basis as specified in the various loan agreements. On a periodic basis, the Corporation evaluates its loans receivable and will establish write offs as economic conditions warrant. The Board will determine which loans are written off based on un-collectability. All loans are considered collectible until all legal remedies have been exhausted.

On August 19, 2013 the #4 loan to Lucas Motorsports was paid in full.

On August 1, 2013 the loan to River Run Fitness was paid in full.

On December 11, 2013 the loan to Sharrow's Home Repair was paid in full.

ST. LAWRENCE COUNTY LOCAL DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

Loans Receivable balances at December 31, 2013 and 2012 consisted of the following:

Loans	Origin	Maturity	Interest Rate	Original Amount	Balance	
					2013	2012
Adirondack Battery	12/07/11	12/01/16	4.0%	20,000	13,356	17,422
AKJ Marine	08/22/07	08/22/12	4.0%	20,000	12,036	12,036
Chip's Place	03/29/07	03/29/14	4.0%	20,000	1,096	4,264
Felician House B & B	02/01/08	07/01/18	4.0%	11,200	5,877	6,982
Gordon's Frame to Finish	05/31/12	05/31/17	4.0%	20,000	18,270	19,419
Hebel Welding	10/28/05	10/28/15	4.0%	20,425	5,132	7,174
Honey Dew Acres	11/17/10	12/01/15	4.0%	20,000	15,020	16,891
Lucas Motorsports - Loan #4	08/25/09	05/01/14	4.0%	5,000	-	1,612
Main Grind CoffeeHouse	04/08/11	04/01/16	4.0%	9,900	614	6,709
Maple Run Emporiums	04/08/11	04/01/16	4.0%	20,000	10,470	14,313
New Horizons Wireless	03/30/11	04/01/16	4.0%	20,000	10,532	14,356
River Lane Campground	06/08/10	07/01/15	4.0%	19,750	10,271	13,299
River Run Fitness	03/30/11	04/01/14	4.0%	8,000	-	4,106
Sam's Party Tents	01/18/13	02/01/18	4.0%	20,000	18,044	-
Shades Tanning	10/17/12	10/17/22	4.0%	20,000	18,838	20,000
Sharrow's Home Repair	10/22/10	11/01/15	4.0%	8,000	-	2,554
Splendid Spaces	11/02/05	11/02/15	4.0%	14,900	12,966	14,087
St. Lawrence Optical	09/21/12	09/21/15	4.0%	6,500	-	6,500
St Lawrence Valley Roasters	12/07/11	12/01/16	4.0%	18,307	11,422	14,929
Sugar Shack Café & Bakery	07/26/11	08/01/16	4.0%	15,000	12,525	14,569
Susan's Stitches	12/07/12	12/07/17	4.0%	20,000	17,378	20,000
Tony's Canvas	07/06/11	07/01/16	4.0%	5,000	2,548	3,616
Unique Boutique Creatures	07/28/11	08/01/16	4.0%	8,000	5,430	6,774
Valley Greenery	06/30/09	04/01/17	4.0%	20,000	8,367	11,133
Waddington Auto Parts	10/17/12	10/17/19	4.0%	20,000	18,312	20,000
					<u>\$ 228,504</u>	<u>\$ 272,747</u>

NOTE 4 - LOANS IN ARREARS

As of December 31, 2013 the following loans were in arrears:

Unique Boutique for Creatures Great and Small: The account remains two months in arrears, but the borrower is consistently making payments.

Waddington Auto Parts: The account is currently two months in arrears and the borrower is seeking a new repayment agreement in 2014.

ST. LAWRENCE COUNTY LOCAL DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

NOTE 5 – LOANS IN DEFAULT

AKJ Marine: The loan has been referred to legal counsel.

Gordon's Frame to Finish: Borrower executed a confession of judgment and new repayment agreement and subsequently made one payment. The loan has been referred to legal counsel.

Sugar Shack Bakery & Café: The last payment received was in April 2012. The collateral was seized in late 2013 and sold via a sealed bid process. The balance of the loan has been referred to legal counsel for recovery.

NOTE 6 – LOANS WITH RENEGOTIATED PAYMENT SCHEDULES

Main Grind Coffeehouse: The business was closed in 2012. A new repayment agreement was executed in April 2013 and the account remains current.

River Lane Campground: In April 2013 a new repayment agreement was executed and the account remains current.

NOTE 7 – LOANS WRITTEN OFF

On September 13, 2013 Board Resolution #MIC 13-09-06 authorized the write off of the St. Lawrence Optical loan balance of \$6,500.00 as uncollectible.

NOTE 8 – COMMUNITY DEVELOPMENT BLOCK GRANT

In 2011 the St. Lawrence County Local Development Corporation committed to make 10 grants through the Community Development Block Grant program. In 2011 grant expenditures totaled \$194,273. In 2012 the remainder of the committed grants, amounting to \$5,727 was expended. The total of the completed grant expenditures was \$200,000. The grants continue to be monitored until a final report is accepted by the State and the grant reporting is finalized. The most recent report for the grant program was submitted in January 2014.

NOTE 9 – SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions from December 31, 2013 through March 3, 2014, the date the financial statements were available to be issued for possible disclosure and recognition in the financial statements. There were no events or transactions that existed which would provide additional pertinent information about conditions at the balance sheet date required to be recognized or disclosed in the accompanying financial statements.



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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Directors of
St. Lawrence County Local Development Corporation
19 Commerce Lane, Suite 1
Canton, New York 13617

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the St. Lawrence County Local Development Corporation (SLC LDC) (a nonprofit organization), as of December 31, 2013, and the related notes to the financial statements, which collectively comprise the SLC LDC's basic financial statements, and have issued our report thereon dated March 3, 2014.

Internal Control Over Financial Reporting

In planning and performing our audits of the financial statements, we considered the SLC LDC's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the SLC LDC's internal control. Accordingly, we do not express an opinion on the effectiveness of the SLC LDC'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 SLC LDC'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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the SLC LDC's financial statements are free of 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 determination of financial statement amounts. 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 SLC LDC'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 SLC LDC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the audit committee, management, and the Board of Directors, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,



Certified Public Accountants, P.C.

Ogdensburg, New York

March 3, 2014



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March 3, 2014

To the Board of Directors
St. Lawrence County Local Development Corporation
19 Commerce Lane, Suite 1
Canton, New York 13617

We have audited the financial statements of the St. Lawrence County Local Development Corporation (SLC LDC) for the year ended December 31, 2013 and have issued our report thereon dated March 3, 2014. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated December 12, 2013. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibilities Under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated December 12, 2013, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statement does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit involved judgment about the number of transactions to be examined and the areas to be tested.

Our audit included obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result for (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the SLC LDC or to acts by management or employees acting on behalf of the SLC LDC. We will generally communicate our significant at the conclusion of the audit. However, some matters could be communicated sooner, particularly if significant difficulties are encountered during the audit where assistance is needed to overcome the difficulties or if the difficulties may lead to a modified opinion. We will also communicate any internal control related matters that are required to be communicated under professional standards.

We began our audit on January 21, 2014 and intend to issue our report on approximately March 3, 2014.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the SLC LDC are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended December 31, 2013. We noted no transactions entered into by the SLC LDC during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no sensitive accounting estimates affecting the SLC LDC's financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users.

The disclosure of loans in arrears, in default, with negotiated repayment schedules, and written off can be found in Notes 4 – 7 to the financial statements. These notes highlight which loans listed in Note 3 are in conflict with the repayment terms and why.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For the purpose of this letter, a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction that could be significant to the financial statements or the auditor's report. We are please to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated March 3, 2014.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the SLC LDC's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accounting to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the applications of accounting principles and auditing standards, with management each year prior to retention as the SLC LDC's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of the audit committee, management, and the Board of Directors of the St. Lawrence County Local Development Corporation, New York and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

 Prato Mucenski Hooper Van House & Co.

Certified Public Accountants, P.C.

Ogdensburg, New York