ST. LAWRENCE COUNTY
INDUSTRIAL DEVELOPMENT AGENCY - CIVIC DEVELOPMENT CORPORATION

FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY -
CIVIC DEVELOPMENT CORPORATION
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DECEMBER 31, 2014 AND 2013

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
St. Lawrence County Industrial Development Agency -
Civic Development Corporation

We have audited the accompanying financial statements of the governmental activities of the St. Lawrence County Industrial Development Agency – Civic Development Corporation (SLCIDA-CDC) as of and for the years ended December 31, 2014 and 2013, and the related notes to the financial statements, which collectively comprise the SLCIDA-CDC's basic financial statements as listed in the table of contents.

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 SLCIDA-CDC'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 SLCIDA-CDC's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriate 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the SLCIDA-CDC as of December 31, 2014 and 2013, and the respective changes in financial position, and where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 7 be presented to supplement the basic financial statements. Such information, 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 auditing standards generally accepted in the United States of America, 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 Information

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise the SLCIDA-CDC's basic financial statements. The supplemental schedule on page 22 is presented for the purpose of additional analysis and is not a required part of the basic financial statements.

This information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Pinto Mucenski Hooper VanHouse + Co.
Certified Public Accountants, P.C.
Ogdensburg, New York
March 6, 2015

ST. LAWRENCE COUNTY
INDUSTRIAL DEVELOPMENT AGENCY
CIVIC DEVELOPMENT CORPORATION

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MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the St. Lawrence County Industrial Development Agency Civic Development Corporation's (the "SLCIDA-CDC") financial performance provides an overview of the SLCIDA-CDC's financial activities for the fiscal year ended December 31, 2014. Please read it in conjunction with the SLCIDA-CDC's financial statements.

HIGHLIGHTS

Financial Highlights

- The unrestricted – Board Designated cash for the Civic Development Fund had a balance on December 31, 2014 of $54,322. Unrestricted cash had a balance of $236,335.

Corporation Highlights

- February 2014. The SLCIDA-CDC completed annual reviews of its Procurement Policy and its Disposition of Real Property Guidelines.
- March 2014. The SLCIDA-CDC accepted its Annual Audit for 2013.
- June 2014. The SLCIDA-CDC issued funds to the St. Lawrence County Fire Training Facility as construction financing for phase 3 of the reconstruction project of the facility.
- September 2014. The SLCIDA-CDC authorized a revolving line of credit from its Civic Development Fund to the St. Lawrence County Chamber of Commerce. The SLCIDA-CDC also accepted a 2015 Tentative Budget.
- October 2014. The SLCIDA-CDC adopted a 2015 Budget. The SLCIDA-CDC received payment of $200,000 from the St. Lawrence County Fire Training Facility towards their construction loan, converting the remaining balance to a final loan.
- December 2014. The SLCIDA-CDC completed annual reviews of its Investment Policy.

USING THIS ANNUAL REPORT

This annual report consists of three parts: Management's Discussion and Analysis, Financial Statements, and Required Supplementary Information. 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 SLCIDA-CDC's basic financial statements. The SLCIDA-CDC's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the SLCIDA-CDC's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the SLCIDA-CDC's assets and liabilities, with the difference between the two 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 activities* present information showing how the SLCIDA-CDC's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows for future fiscal periods

The government-wide financial statements outline functions of the SLCIDA-CDC that are principally supported by intergovernmental revenues (*governmental activities*). These activities include the capitalization of industrial development in St. Lawrence County.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The SLCIDA-CDC uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the SLCIDA-CDC can be divided into two categories: governmental funds and fiduciary funds.

> ***Government funds.*** Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the SLCIDA-CDC's near-term financing requirements.
>
> Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the SLCIDA-CDC's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the SLCIDA-CDC. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the SLCIDA-CDC's own programs. The accrual basis of accounting is used for fiduciary funds.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

GOVERNMENT-WIDE 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 $457,255 as of December 31, 2014. The SLCIDA-CDC's financial position is the product of several financial transactions including the net results of activities, the acquisition and payment of debt, the acquisition and disposal of capital assets, and the depreciation of capital assets.

The following tables present a summary of the SLCIDA-CDC's derivation of net assets for the fiscal year ended December 31, 2014.

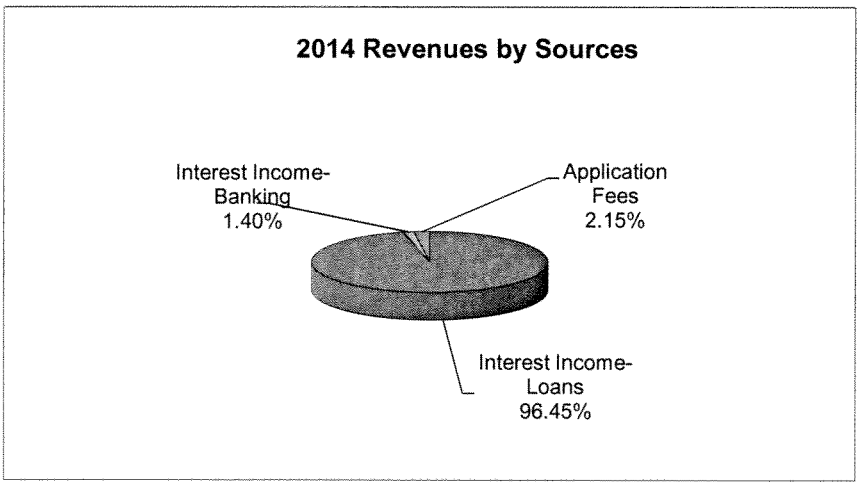
Table 1

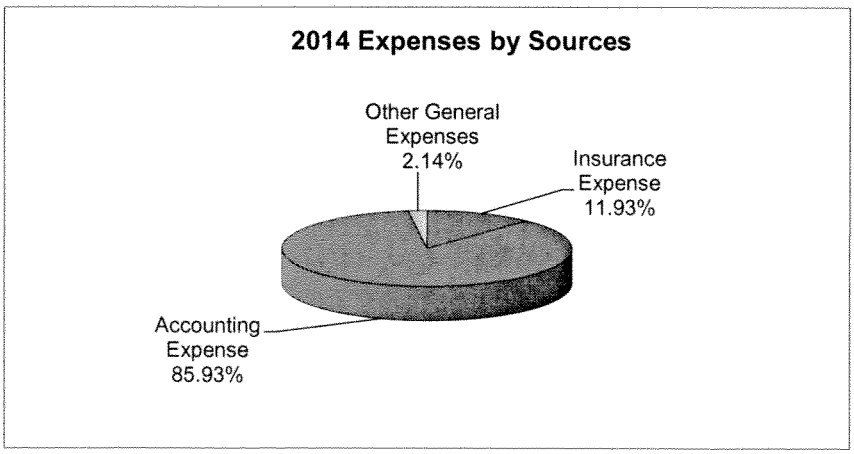
2014		2013	
Total Current Assets	346,386	Total Current Assets	408,170
Total Fixed Assets (Net)	0	Total Fixed Assets (Net)	0
Total Other Assets	110,869	Total Other Assets	47,846
Total Assets	$457,255	Total Assets	$456,016
Total Liabilities	0	Total Liabilities	0
Total Net Assets	457,255	Total Net Assets	456,016
Total Liabilities & Net Assets	$457,255	Total Liabilities & Net Assets	$456,016

Changes in the SLCIDA-CDC's Net Position can be determined by reviewing the following condensed Statement of Activities at the end of the year.

Table 2

2014			2013		
Total Industrial Development Project (IDP) Revenue		$0	Total Industrial Development Project (IDP) Revenue		$0
Total IDP Projects	0		Total IDP Projects	0	
Support Services	3,404		Support Services	3,000	
Total SLCIDA-CDC Expenses		3,404	Total SLCIDA-CDC Expenses		3,000
Total SLCIDA-CDC Activities		(3,404)	Total SLCIDA-CDC Activities		(3,000)
Total General Revenues		4,643	Total General Revenues		2,182
Change in Net Position		1,239	Change in Net Position		(818)
Net Position – Beginning of Year		456,016	Net Position – Beginning of Year		456,834
Net Position – End of Year		$457,255	Net Position – End of Year		$456,016





CASH AND INVESTMENT POLICY

The St. Lawrence County Industrial Development Agency Civic Development Corporation 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 coverage and then funds 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 AGENCY -
CIVIC DEVELOPMENT CORPORATION
STATEMENTS OF NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014	2013
ASSETS		
Current Assets		
Cash and Cash Equivalents - Unrestricted	$ 236,335	$ 336,625
Cash and Cash Equivalents - Unrestricted - Board Designated	54,322	54,322
Notes Receivable - Current	55,335	17,125
Accrued Interest Receivable	394	98
Total Current Assets	346,386	408,170
Other Assets		
Notes Receivable	166,204	64,971
Less: Current Portion Above	55,335	17,125
Total Other Assets	110,869	47,846
Total Assets	$ 457,255	$ 456,016
LIABILITIES AND NET POSITION		
Total Liabilities	-	-
Net Position		
Unrestricted	402,933	401,694
Unrestricted - Board Designated	54,322	54,322
Total Net Position	457,255	456,016
Total Liabilities and Net Position	$ 457,255	$ 456,016

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

ST LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY -
CIVIC DEVELOPMENT CORPORATION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

2014

	Expenditures	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Government Activities
Governmental Activities					
Program Services	$ -	$ -	$ -	$ -	$ -
Total Civic Development Projects	-	-	-	-	-
Management and General	3,404	-	-	-	(3,404)
Total Administrative Services	3,404	-	-	-	(3,404)
Total Governmental Activities	3,404	-	-	-	(3,404)
General Revenues					
Bond Fees					100
Interest					4,543
Total General Revenues					4,643
Changes in Net Position					1,239
Net Position - Beginning of Year					456,016
Net Position - End of Year					$ 457,255

2013

	Expenditures	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Government Activities
Governmental Activities					
Program Services	$ -	$ -	$ -	$ -	$ -
Total Civic Development Projects	-	-	-	-	-
Management and General	3,000	-	-	-	(3,000)
Total Administrative Services	3,000	-	-	-	(3,000)
Total Governmental Activities	3,000	-	-	-	(3,000)
General Revenues					
Miscellaneous					25
Interest					2,157
Total General Revenues					2,182
Changes in Net Position					(818)
Net Position - Beginning of Year					456,834
Net Position - End of Year					$ 456,016

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

ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY -
CIVIC DEVELOPMENT CORPORATION
BALANCE SHEETS - GOVERNMENTAL FUNDS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014	2013
ASSETS		
Current Assets		
Cash and Cash Equivalents - Unassigned	236,335	336,625
Cash and Cash Equivalents - Assigned	54,322	54,322
Notes Receivable - Current	55,335	17,125
Accrued Interest Receivable	394	98
Total Current Assets	346,386	408,170
Other Assets		
Notes Receivable - Long Term	166,204	64,971
Less: Current Portion Above	55,335	17,125
Total Other Assets	110,869	47,846
Total Assets	$ 457,255	$ 456,016
LIABILITIES AND FUND BALANCE		
Total Liabilities	$ -	$ -
Fund Balance		
Unassigned	402,933	401,694
Assigned	54,322	54,322
Total Fund Balance	457,255	456,016
Total Liabilities and Fund Balance	$ 457,255	$ 456,016

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

ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY -
CIVIC DEVELOPMENT CORPORATION
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN
FUND EQUITY - GOVERNMENTAL FUNDS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014	2013
FUND BALANCE - UNASSIGNED		
Revenues		
Bonds Fees	$ 100	$ -
Interest Income	4,543	2,157
Miscellaneous Income	-	25
Total Revenues	4,643	2,182
Expenditures		
Program Services	-	-
Management and General	3,404	3,000
Total Expenditures	3,404	3,000
Excess (Deficiency) of Revenues Over Expenditures	1,239	(818)
Fund Balances - Beginning of Year	401,694	402,512
Fund Balances - End of Year	$ 402,933	$ 401,694
FUND BALANCE - ASSIGNED		
Revenues		
Bonds Fees	$ -	$ -
Total Revenues	-	-
Expenditures		
Program Services	-	-
Total Expenditures	-	-
Excess (Deficiency) of Revenues Over Expenditures	-	-
Fund Balances - Beginning of Year	54,322	54,322
Fund Balances - End of Year	$ 54,322	$ 54,322

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

ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY -
CIVIC DEVELOPMENT CORPORATION
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31,2014

	Total Governmental Funds	Long-term Assets, Liabilities	Reclassifications and Eliminations	Statement of Net Position Totals
ASSETS				
Cash and Cash Equivalents - Unassigned	$ 236,335	$ -	$ -	$ 236,335
Cash and Cash Equivalents - Assigned	54,322	-	-	54,322
Notes Receivable - Current	55,335	-	-	55,335
Accrued Interest Receivable	394	-	-	394
Notes Receivable - Long Term	110,869	-	-	110,869
Total Assets	457,255	-	-	457,255
LIABILITIES				
Liabilities	-	-	-	-
Total Liabilities	-	-	-	-
FUND BALANCE				
Total Fund Balance	457,255	-	-	457,255
Total Liabilities and Fund Balance	$ 457,255	$ -	$ -	$ 457,255

Total Governmental Fund Balance	$ 457,255
Amounts reported for Governmental Acitivities in the Statement of Net Assets are different because: Capital Assets used in Governmental Activities are not financial resources and therefore are not reported in the funds.	-
Long-term Liabilities, including Bonds Payable, are not due and payable in the current period and therefore not reported in the funds.	-
Total Net Position	$ 457,255

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

ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY -
CIVIC DEVELOPMENT CORPORATION
RECONCILIATION OF GOVERNMENTAL FUNDS REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014

	Total Unassigned Funds	Total Restricted Funds	Capital Related Items	Long-term Debt Transactions	Statement of Activities Totals
Revenues					
Bond Fees	$ 100	$ -	$ -	$ -	$ 100
Interest Income	4,543	-			4,543
Miscellaneous Income	-	-	-	-	-
Total Revenues	4,643	-	-	-	4,643
Expenditures					
Program Services	-	-	-	-	-
Management and General	3,404	-	-	-	3,404
Total Expenditures	3,404	-	-	-	3,404
Excess (Deficiency) Of Revenues Over Expenditures	1,239	-	-	-	1,239
Net Change For The Year	$ 1,239	$ -	$ -	$ -	$ 1,239

Net Change in Fund Balances	$ 1,239
Depreciation Expense recorded in the Statement of Activities, but not in the Governmental Funds	-
Expenditures for acquisition of capital assets (net) recorded in the Governmental Funds, but not in the Statement of Activities	-
Repayment of long-term debt and incurrance of new debt as an expenditure/receipt in the Governmental Funds, but not in the Statement of Activities	-
Change in Net Position of Governmental Activities	$ 1,239

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

ST. LAWRENCE COUNTY
INDUSTRIAL DEVELOPMENT AGENCY -
CIVIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

NOTE 1 – SUMMARY OF CERTAIN SIGNIFICANT ACCOUNTING POLICIES

The financial statements of St. Lawrence County Industrial Development Agency - Civic Development Corporation (SLCIDA-CDC) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. Those principles are prescribed by the Governmental Accounting Standards Board (GASB), which is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Certain significant accounting principles and policies utilized by the SLCIDA-CDC are described below.

Reporting Entity:

The reporting entity of the SLCIDA-CDC is based upon criteria set forth by GASB Statement 14, *The Financial Reporting Entity*. The financial reporting entity consists of the primary government, organizations for which the primary government is financially accountable; and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The accompanying financial statements present the activities of the SLCIDA-CDC.

Nature of Organization:

The 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 St. Lawrence 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 entities, considered essential to the continued development, construction, improvement, and operation of projects by not-for-profit entities.

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 (St. Lawrence County) and a Board of Directors appointed by the County. Those individuals appointed by the County to serve as members of the St. Lawrence County Industrial Development 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.

Basis of Presentation:

Entity wide financial statements - the Statement of Net Position and the Statement of Activities - present financial information about the SLCIDA-CDC's governmental activities. These statements include the financial activities of the overall government in its entirety, except those that are fiduciary.

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the SLCIDA-CDC's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of services offered by the programs, and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. All other revenues are classified as general revenues.

Governmental Funds financial statements – Balance Sheets and Statements of Revenue, Expenditures, and Changes in Fund Balances - provide information about the SLCIDA-CDC's funds, including fiduciary funds. Separate statements for each fund category (governmental and fiduciary) are presented. The emphasis of the governmental fund financial statements is on major governmental funds, each displayed in a separate column. The SLCIDA-CDC reports the following major governmental funds.

> General Fund: Primary operating fund accounting for all financial transactions not required to be in another fund.
>
> Fiduciary Fund: Fiduciary activities where the SLCIDA-CDC acts as trustee or agent for resources that belong to others. These activities are not included in the entity wide financial statements.

Measurement Focus and Basis of Accounting:

The entity wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the SLCIDA-CDC gives or receives value without directly receiving or giving equal value in exchange, may include grants and donations. On an accrual basis, revenue is recognized in the fiscal year for which the

revenue is earned. Revenue from grants and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The SLCIDA-CDC considers all revenues reported in the governmental funds to be available if the revenues are collected within 90 days after the end of the fiscal year.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt or claims and judgments, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds.

Cash and Investments:

The SLCIDA-CDC's cash and cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from date of acquisition. New York State law governs the SLCIDA-CDC's investment policies. Resources must be deposited in FDIC insured commercial banks or trust companies located within the State. Permissible investments include obligations of the United States Treasury, United States Agencies, repurchase agreements and obligations of New York State or its localities. Collateral is required for demand and time deposits and certificates of deposit not covered by FDIC insurance. Investments are stated at fair value.

Budgetary Procedures and Budgetary Accounting:

The SLCIDA-CDC administration prepares a proposed budget of the General Fund for approval by the Board of Directors for which legal (appropriated) budgets are adopted. Appropriations are adopted at the program line item level as established by the adoption of the budget which constitutes a limitation on expenditures (and encumbrances) which may be incurred. Appropriations lapse at the end of the fiscal year unless expended. Budgets are adopted annually on a basis consistent with GAAP.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires 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.

Income Taxes:
The SLCIDA-CDC was determined to be 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.

Accounting principles generally accepted in the United States of America require the SLCIDA-CDC to evaluate all significant tax positions. As of December 31, 2014 the SLCIDA-CDC does not believe that it has taken any positions that would require the recording of any tax liability, nor does it believe that there are any unrealized tax benefits that should be recorded or that would increase or decrease within the next year.

Subsequent Events:

Management has reviewed and evaluated all events and transactions from January 1, 2015 through March 6, 2015, 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.

NOTE 2 – EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND ENTITY WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used in the governmental fund statements and the entity wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items. The differences result primarily from the economic focus of the Statement of Activities, compared with the current financial resources focus of the governmental funds.

Total Fund Balances of Governmental Funds vs. Net Position of Governmental Activities:

Total fund balances of the SLCIDA-CDC's governmental funds differ from "net position" of governmental activities reported in the Statement of Net Position. This difference primarily results from the additional long-term economic focus of the Statement of Net Position versus the solely current financial resources focus of the governmental funds Balance Sheets.

Statement of Revenues, Expenditures and Changes in Fund Balance vs. Statement of Activities:

Differences between the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balance and the Statement of Activities fall into one of three broad categories as described below.

Long-term Revenue Differences - arise because governmental funds report revenues only when they are considered "available", whereas the Statement of Activities reports revenues when earned. Differences in long-term expenses arise because governmental funds report on a modified accrual basis, whereas the accrual basis of accounting is used on the Statement of Activities.

Capital Related Differences - include the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the Statement of Activities, and the difference between recording an expenditure for the purchase of capital items in the governmental funds statements and depreciation expense on those items as recorded in the Statement of Activities.

Long-term Debt Transaction Differences - occur because both interest and principal payments are recorded as expenditures in the governmental funds statements, whereas interest payments are recorded in the Statement of Activities as incurred, and principal payments are recorded as a reduction of liabilities in the Statement of Net Position.

NOTE 3 – NET POSITION CLASSIFICATION

Entity Wide Statements:

In the entity wide statements there are three classes of net position.

Invested in Capital Assets, Net of Related Debt - consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, constructions or improvements of those assets. The SLCIDA-CDC had $-0- and $-0- invested in capital assets, net of related debt as of December 31, 2014 and 2013, respectively.

Unrestricted – Board Designated Net Position - reports net position when constraints placed on the assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. The SLCIDA-CDC had $54,322 and $54,322 in unrestricted net position as of December 31, 2014 and 2013, respectively.

Unrestricted Net Position - reports all other net positions that do not meet the definition of the above two classifications and are deemed to be available for general use by the SLCIDA-CDC. The SLCIDA-CDC had $402,933 and $401,694 in unrestricted net position as of December 31, 2014 and 2013, respectively.

Governmental Funds Statements:

In the governmental funds statements there are five classifications of fund balance.

Non-Spendable – includes amounts that cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact. The SLCIDA-CDC had $-0- and $-0-in non-spendable fund balance as of December 31, 2014 and 2013, respectively.

Restricted – includes amounts with constraints placed on the use of resources either externally imposed by creditors, grantors, contributors or laws or regulations of other governments; or imposed by law through constitutional provisions or enabling legislation. All encumbrances of funds other than the General fund are classified as restricted fund balance. The SLCIDA-CDC had $-0- and $-0- in restricted fund balance as of December 31, 2014 and 2013, respectively.

Committed - includes amounts that can only be used for the specific purposes pursuant to constraints imposed by formal action of the SLCIDA-CDC's highest level of decision making authority i.e., the Board of Directors. The SLCIDA-CDC had $-0- and $-0- in committed fund balance as of December 31, 2014 and 2013, respectively.

Assigned – includes amounts that are constrained by the SLCIDA-CDC's intent to be used for specific purposes, but are neither restricted nor committed. All encumbrances of the General Fund are classified as Assigned Fund Balance in the General Fund. The SLCIDA-CDC had $54,322 and $54,322 in assigned fund balance as of December 31, 2014 and 2013, respectively.

Unassigned – includes all other General Fund net assets that do not meet the definition of the above four classifications and are deemed to be for general use. The SLCIDA-CDC had $402,933 and $401,694 in unassigned fund balance as of December 31, 2014 and 2013, respectively.

Order of Use of Fund Balance:

The SLCIDA-CDC's policy is to apply expenditures against non-spendable fund balance, restricted fund balance, committed fund balance, assigned fund balance and unassigned fund balance at the end of the fiscal year. For all funds, non-spendable fund balances are determined first and then restricted fund balances for specific purposes are determined. Any remaining fund balance amounts for funds other than the General Fund are classified as restricted fund balance. In the general fund, committed fund balance is determined next and then assigned. The remaining amounts are reported as unassigned. Assignments of fund balance cannot cause a negative unassigned fund balance.

NOTE 4 – NOTES RECEIVABLE

The SLCIDA-CDC carries its notes receivable at cost recognizing interest income on the accrual basis as specified in the various note agreements.

On a periodic basis, the SLCIDA-CDC evaluates its notes receivable and will establish write offs as economic conditions warrant. The Board will determine which notes are written off based on un-collectability. All notes are considered collectible until all legal remedies have been exhausted.

Ogdensburg Bridge & Port Authority: On April 25, 2012, the SLCIDA-CDC passed Resolution# CDC-12-04-10 and authorized a loan of $87,000 to the Ogdensburg Bridge and Port Authority (OBPA) to assist in improvements to the Port of Ogdensburg. At a May 7, 2012 meeting, the Board of Directors of the OBPA passed a resolution agreeing to the loan offer of $87,000. The loan was subsequently consummated on June 20, 2012 with an $87,000 disbursement to the OBPA. The balances at December 31, 2014 and 2013 were $46,399 and $64,971, respectively.

St. Lawrence County Fire Training Facility: On June 4, 2013, the SLCIDA-CDC passed Resolution# CDC-13-06-06 and agreed to lend up to $290,000 to the St. Lawrence County Fire Training Facility, Inc. (FTF) for the construction of the FTF's West Potsdam training facility. $200,000 of this amount was for bridge financing, which was to be repaid from the proceeds of two $100,000 grants for which the FTF had commitments from New York State. Both grants were received by the FTF in 2014 and paid to the SLCIDA-CDC. After these payments were received, the balance (including capitalized interest) of the loan was $92,332.93 and is being amortized over 10 years. The balance at December 31, 2014 was $90,866.

The FTF made the November and December 2014 payments on the loan itself. On November 25, 2014 the FTF executed documents assigning the lease payments it receives from St. Lawrence County for the facility to the SLCIDA-CDC. These payments, which will come directly from the County to the SLCIDA-CDC, will begin on January 1, 2015

St. Lawrence County Chamber of Commerce: On September 30, 2014 the SLCIDA-CDC passed Resolution# CDC-14-09-04 and authorized a short-term line of credit with the St. Lawrence County Chamber of Commerce to assist the Chamber cure cash flow shortages through the end of 2014. As of December 31, 2014 the Chamber had drawn down $28,939.39 of the $40,000 maximum permitted by Resolution# CDC-14-09-04. On December 31, 2014 the line of credit converted to an interest-only loan until October 1, 2015, when the entire $29,129.72 principal will be due, including capitalized interest through December 31, 2014.

The Loan Receivable balance at December 31, 2014 and 2013 was $166,204 and $64,971, respectively. Also, as of December 31, 2014, all loans were current in making repayments.

ST. LAWRENCE COUNTY
INDUSTRIAL DEVELOPMENT AGENCY -
CIVIC DEVELOPMENT CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

Loans	Origin	Interest Rate	Original Amount	Balance 2014	Balance 2013
Ogdensburg Bridge & Port Authority	6/20/2012	2.625%	90,000	46,399	64,971
St. Lawrence Co. Chamber of Commerce	9/30/2014	2.625%	40,000	28,939	-
St. Lawrence Co. Fire Training Facility	6/17/2014	2.650%	290,000	90,866	-
				166,204	64,971

ST. LAWRENCE COUNTY INDUSTRIAL DEVELOPMENT AGENCY -
CIVIC DEVELOPMENT CORPORATION
SCHEDULES OF OPERATING EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	2014			2013		
	Program Services	Supporting Services Management and General	Total Expenses	Program Services	Supporting Services Management and General	Total Expenses
Directors & Officers Insurance	$ -	$ 406	$ 406	$ -		$ -
Professional Fees	-	2,925	2,925	-	2,925	2,925
Miscellaneous	-	73	73	-	75	75
Total Expenses	$ -	$ 3,404	$ 3,404	$ -	$ 3,000	$ 3,000

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

To the Board of Directors
St. Lawrence County Industrial Development Agency –
Civic Development Corporation

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 governmental activities of St. Lawrence County Industrial Development Agency – Civic Development Corporation (SLCIDA-CDC) as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the SLCIDA-CDC's basic financial statements, and have issued our report thereon dated March 6, 2015.

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) 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 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 SLCIDA-CDC'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 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 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 SLCIDA-CDC's internal control or on compliance. The report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the SLCIDA-CDC'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, the Board of Directors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Pinto Mucenski Hooper VanHouse + Co.

Certified Public Accountants, P.C.
Ogdensburg, New York
March 6, 2015

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March 6, 2015

To the Board of Directors
St. Lawrence County Industrial Development Agency –
Civic Development Corporation

We have audited the financial statements of the governmental activities of the St. Lawrence County Industrial Development Agency - Civic Development Corporation (SLCIDA-CDC) for the year ended December 31, 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 January 9, 2015. Professional standards also require that we communicate to you the following information related to our audit.

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 SLCIDA-CDC 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 2014. We noted no transactions entered into by the SLCIDA-CDC 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. The most sensitive accounting estimate affecting the SLCIDA-CDC's financial statements was:

> Management's estimate of the collectability of Notes Receivable is based on past experience and the current status of Notes Receivable as more fully described in Note 4 of the financial statements. We evaluated the key factors and assumptions issued to develop the collectability of Notes Receivable in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no sensitive disclosures affecting the SLCIDA-CDC's financial statements.

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 known and likely 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 each opinion unit's financial statements taken as a whole.

Disagreements with Management

For the purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased 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 6, 2015.

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 SLCIDA-CDC'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 accountant 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 application of accounting principles and auditing standards, with management each year prior to retention as the SLCIDA-CDC's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information on pages 3 – 7 accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the

United States of America, the method of preparing it has not changed from period to period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the audit committee, management, the Board of Directors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Pinto Mucenski Hooper VanHouse & Co.
Certified Public Accountants, P.C.
Ogdensburg, New York