

ST. LAWRENCE COUNTY
LOCAL DEVELOPMENT CORPORATION

FINANCIAL STATEMENTS

DECEMBER 31, 2014 AND 2013

ST. LAWRENCE COUNTY LOCAL DEVELOPMENT CORPORATION
DECEMBER 31, 2014 AND 2013
TABLE OF CONTENTS

		<u>Page</u>
	<u>Independent Auditor's Report</u>	
<u>EXHIBIT I</u>	- <u>Statements of Financial Position</u>	1
<u>EXHIBIT II</u>	- <u>Statements of Activities</u>	2
<u>EXHIBIT III</u>	- <u>Statements of Cash Flows</u>	3
	<u>Notes to Financial Statements</u>	4 – 8
	Supplemental Information: <u>Schedule of Functional Expenses</u>	9
	<u>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</u>	10 – 11
	<u>Auditor's Required Communications</u>	12 – 14



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

301 Ford Street
P.O. Box 327
Ogdensburg, NY 13669
(315) 393-7502
Fax: (315) 393-9231
www.pmhvcpa.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
St. Lawrence County Local Development Corporation

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, 2014 and 2013, and the related statements of activities and cash flows 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 an opinion 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 audit 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 opinion.

Opinion

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, 2014 and 2013, 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.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 9 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Primo Mucenski Hooper Van House & Co.

Certified Public Accountants, P.C.

Ogdensburg, New York

March 6, 2015

ST. LAWRENCE COUNTY LOCAL DEVELOPMENT CORPORATION
 STATEMENTS OF FINANCIAL POSITION,
 DECEMBER 31, 2014 AND 2013

EXHIBIT I

	<u>2014</u>	<u>2013</u>
<u>ASSETS</u>		
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 71,944	\$ 86,300
Loans Receivable - Current	76,128	65,868
Accrued Interest Receivable	<u>2,567</u>	<u>1,672</u>
 Total Current Assets	 150,639	 153,840
<u>Other Assets</u>		
Loans Receivable - Net of Current Portion	<u>163,365</u>	<u>162,636</u>
 TOTAL ASSETS	 <u>\$ 314,004</u>	 <u>\$ 316,476</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities</u>		
Accounts Payable	<u>\$ 1,208</u>	<u>\$ -</u>
<u>Net Assets</u>		
Unrestricted	110	110
Unrestricted - Board Designated	<u>312,686</u>	<u>316,366</u>
 Total Net Assets	 <u>312,796</u>	 <u>316,476</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 314,004</u>	 <u>\$ 316,476</u>

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

ST. LAWRENCE COUNTY LOCAL DEVELOPMENT CORPORATION
 STATEMENTS OF ACTIVITIES
 FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

EXHIBIT II

	<u>2014</u>	<u>2013</u>
<u>UNRESTRICTED NET ASSETS</u>		
Support and Revenue		
Interest Income	\$ 9,290	10,781
Other Income	690	1,275
	<u>9,980</u>	<u>12,056</u>
TOTAL UNRESTRICTED SUPPORT AND REVENUE		
Expenses		
Program Services	-	6,500
Management and General	13,660	13,354
	<u>13,660</u>	<u>19,854</u>
TOTAL EXPENSES		
NET CHANGE IN UNRESTRICTED NET ASSETS	(3,680)	(7,798)
NET ASSETS - BEGINNING OF YEAR	<u>316,476</u>	<u>324,274</u>
NET ASSETS - END OF YEAR	<u><u>\$ 312,796</u></u>	<u><u>\$ 316,476</u></u>

ST. LAWRENCE COUNTY LOCAL DEVELOPMENT CORPORATION
STATEMENTS OF CASH FLOWS
DECEMBER 31, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
<u>OPERATING ACTIVITIES</u>		
Change in Net Assets	\$ (3,680)	\$ (7,798)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Bad Debts	-	6,500
Accrued Interest Receivable	(895)	(385)
Accounts Payable	<u>1,208</u>	<u>-</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(3,367)</u>	<u>(1,683)</u>
<u>INVESTING ACTIVITIES</u>		
Small Business Loans - New	(60,000)	(20,000)
Small Business Loans - Payments	<u>49,011</u>	<u>57,743</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	<u>(10,989)</u>	<u>37,743</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(14,356)	36,060
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>86,300</u>	<u>50,240</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 71,944</u>	<u>\$ 86,300</u>

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

NOTE 1 – NATURE OF ACTIVITIES

The St. Lawrence County Local Development Corporation (SLC LDC) 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 SLC LDC 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 SLC LDC 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 SLC LDC authorized amendments to its Bylaws and Certificate of Incorporation to amend and modify the SLC LDC's membership requirements. The amendments automatically extended membership on the SLC LDC's Board to all members of the Board of Directors of the St. Lawrence County Industrial Development Agency.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of SLC LDC 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 SLC LDC has adopted *FASB ASC 958-205*. Under this standard, the SLC LDC 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 SLC LDC is required to present a statement of cash flows. As directed by this statement, the SLC LDC has arranged its financial statements to present the three classes of net assets required, as applicable.

B. Contributions

The SLC LDC has also adopted *FASB ASC 958-605*. In accordance with this standard, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature or any donor restrictions.

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

C. 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.

D. Cash and Cash Equivalents

For the purposes of the statements of cash flows, the SLC LDC 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

The SLC LDC 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 SLC LDC to evaluate all significant tax positions. As of December 31, 2014 the SLC LDC 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. Also, the SLC LDC does not believe its financial statements include any uncertain tax positions for the open tax years of 2011 through 2014.

It is the SLC LDC's policy to classify income tax related interest and penalties (if applicable) in interest expense and miscellaneous expense, respectively.

NOTE 3 - LOANS RECEIVABLE

The SLC LDC 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 SLC LDC 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.

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

During 2014 the following loans were paid in full:

- Chip's Place
- Hebel Welding (Note: Hebel Welding simultaneously took out a new loan for \$20,000. See table below.)
- Main Grind Coffeehouse

Loans Receivable balances at December 31, 2014 and 2013 consisted of the following:

Loans	Origin	Maturity	Interest Rate	Original Amount	Balance	
					2014	2013
Adirondack Battery	12/07/11	12/01/16	4.0%	20,000	9,110	13,356
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
Felician House B & B	02/01/08	07/01/18	4.0%	11,200	4,733	5,877
Gordon's Frame to Finish	05/31/12	05/31/17	4.0%	20,000	18,974	18,270
Hebel Welding	10/22/14	10/01/24	4.0%	20,000	19,527	5,132
Honey Dew Acres	11/17/10	12/01/20	4.0%	20,000	12,892	15,020
Main Grind CoffeeHouse	04/08/11	04/01/16	4.0%	9,900	-	614
Maple Run Emporiums	04/08/11	04/01/16	4.0%	20,000	6,107	10,470
New Horizons Wireless	03/30/11	04/01/16	4.0%	20,000	6,075	10,532
ProLine Striping	06/02/14	06/01/19	4.0%	20,000	16,801	-
River Lane Campground	06/08/10	07/01/15	4.0%	19,750	7,293	10,271
Sam's Party Tents	01/18/13	02/01/18	4.0%	20,000	14,134	18,044
Shades Tanning	10/17/12	10/17/22	4.0%	20,000	17,377	18,838
Sharrow's Home Repair	06/02/14	06/01/19	4.0%	20,000	19,053	-
Splendid Spaces	11/02/12	11/02/22	4.0%	14,900	11,583	12,966
St Lawrence Valley Roasters	12/07/11	12/01/16	4.0%	18,307	7,770	11,422
Sugar Shack Café & Bakery	07/26/11	08/01/16	4.0%	15,000	12,525	12,525
Susan's Stitches	12/07/12	12/07/17	4.0%	20,000	15,225	17,378
Tony's Canvas	07/06/11	07/01/16	4.0%	5,000	1,334	2,548
Unique Boutique Creatures	07/28/11	08/01/16	4.0%	8,000	4,362	5,430
Valley Greenery	06/30/09	04/01/17	4.0%	20,000	5,230	8,367
Waddington Auto Parts	10/17/12	10/17/19	4.0%	20,000	17,352	18,312
					<u>\$ 239,493</u>	<u>\$ 228,504</u>

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

Future maturities of the Loans Receivable are as follows:

December 31, 2015	\$ 76,128
2016	49,702
2017	33,030
2018	28,162
2019	19,743
Thereafter	<u>32,729</u>
	<u>\$ 239,493</u>

NOTE 4 - LOANS IN ARREARS

As of December 31, 2014 the following loans were in arrears:

- Shades Tanning: The account is in arrears, but the borrower is consistently making payments.

NOTE 5 – LOANS IN DEFAULT

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

Gordon's Frame to Finish: Borrower executed a confession of judgment and new repayment agreement in 2013. Subsequently minimal payments have been made. The loan has been referred to legal counsel for recovery.

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

Waddington Auto Parts & GT Speed Shop: A new repayment agreement was executed in December 2014 and the account remains current.

Sam's Party Tents: A new payment agreement was executed in October 2014 and the account remains current.

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

NOTE 7 – LOANS WRITTEN OFF

None

NOTE 8 – COMMUNITY DEVELOPMENT BLOCK GRANT

In 2011 the SLC LDC 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 2015.

NOTE 9 – 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.

ST. LAWRENCE COUNTY LOCAL DEVELOPMENT CORPORATION SUPPLEMENTAL INFORMATION
 SCHEDULE OF FUNCTIONAL EXPENSES
 FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

	<u>2014</u>		<u>2013</u>	
	<u>Program Services Loans & Grants</u>	<u>Management and General Expenses</u>	<u>Program Services Loans & Grants</u>	<u>Management and General Expenses</u>
	<u>Total</u>	<u>Total</u>	<u>Total</u>	<u>Total</u>
Professional Fees and Contracts	\$ -	\$ 6,160	\$ -	\$ 5,854
Administrative Fees	-	7,500	-	7,500
Community Development Grants	-	-	-	-
Bad Debts - Small Business Loans	-	-	6,500	-
Total Expenses	\$ -	\$ 13,660	\$ 6,500	\$ 13,354
	\$ -	\$ 13,660	\$ 6,500	\$ 19,854

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



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

301 Ford Street
P.O. Box 327
Ogdensburg, NY 13669
(315) 393-7502
Fax: (315) 393-9231
www.pmhvcpa.com

**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

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), which comprise the statement of financial position as of December 31, 2014, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 6, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit 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 opinion 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.

Very truly yours,

 Piotr Mucinski Hooper Van House & Co.

Certified Public Accountants, P.C.

Ogdensburg, New York

March 6, 2015



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

301 Ford Street
P.O. Box 327
Ogdensburg, NY 13669
(315) 393-7502
Fax: (315) 393-9231
www.pmhvcpa.com

March 6, 2015

To the Board of Directors and Management of
St. Lawrence County Local Development Corporation

We have audited the financial statements of the St. Lawrence County Local Development Corporation (SLC LDC) for the year ended December 31, 2014, and have issued our report thereon dated March 6, 2015. 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 SLC LDC are described in Note 2 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, 2014. 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 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 auditor's 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 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 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 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.

Other Matters

With respect to the supplementary information 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 U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior 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, and the Board of Directors of the St. Lawrence County Local Development Corporation and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Handwritten signature in cursive script: P. Mucenski Hooper Van House & Co.

Certified Public Accountants, P.C.

Ogdensburg, New York