

ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY

Resolution No. RVR-16-04-03

April 12, 2016

ACCEPTING 2015 AUDIT

WHEREAS, the St. Lawrence River Valley Redevelopment Agency has appointed the firm of Pinto, Mucenski, Hooper, VanHouse and Company PC as its auditor for the years 2015 through 2017, and

WHEREAS, Pinto, Mucenski, Hooper, VanHouse and Company PC has submitted the attached document entitled "St. Lawrence River Valley Redevelopment Agency Financial Statements, December 31, 2015 and 2014;"

NOW, THEREFORE, BE IT RESOLVED that the St. Lawrence River Valley Redevelopment Agency accepts and approves said report.

Move:	Strait			
Second:	Murphy			
VOTE	Yea	Nay	Abstain	Absent
Carroll	X			
McNeil	X			
Murphy	X			
Paquin	X			
Strait	X			

I hereby certify that I have compared a copy of this Resolution with the original record in this office and that the same is a correct transcript thereof and of the whole of said original record.

/S/

Lori Sibley
April 26, 2016

**ST. LAWRENCE RIVER VALLEY
REDEVELOPMENT AGENCY**

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEARS ENDED DECEMBER 31, 2015 and 2014**

TABLE OF CONTENTS

	<u>Pages</u>
Independent Auditor's Report	1 - 2
Statements of Financial Position, December 31, 2015 And 2014	3
Statements of Activities for the Years Ended December 31, 2015 and 2014	4
Statements of Cash Flows for the Years Ended December 31, 2015 and 2014	5
Notes to Financial Statements	6 - 10
Supplementary Information	11 - 12
Report on Internal Control and Compliance	13 - 15



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.pmlhvcpa.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
St. Lawrence River Valley Redevelopment Agency

Report on the Financial Statements

We have audited the accompanying financial statements of the St. Lawrence River Valley Redevelopment Agency (SLRVRA) (a nonprofit organization), which comprise the statements of financial position as of December 31, 2015 and 2014, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 entity'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 entity'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 SLRVRA as of December 31, 2015 and 2014, 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 Matters

Other Information

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 12 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 3, 2016, on our consideration of the SLRVRA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the SLRVRA's internal control over financial reporting and compliance.


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

March 3, 2016

ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY

**STATEMENTS OF FINANCIAL POSITION,
DECEMBER 31, 2015 AND 2014**

	<u>12/31/2015</u>	<u>12/31/2014</u>
ASSETS		
CURRENT ASSETS:		
Cash and Cash Equivalents	\$ 9,942,851	\$ 10,228,166
Cash - Security Deposits	531	-
Accounts Receivable	2,161	-
Accrued Interest Receivable	1,805	2,625
Mortgages and Notes Receivable (Net of Allowance)	<u>440,710</u>	<u>322,108</u>
 Total Current Assets	 10,388,058	 10,552,899
 Fixed Assets - Net	 783,540	 805,381
LONG-TERM ASSETS:		
Mortgages and Notes Receivable - Net of Current Portion	<u>1,277,275</u>	<u>1,764,379</u>
 TOTAL ASSETS	 <u>12,448,873</u>	 <u>13,122,659</u>
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts Payable	36,188	862
Deferred Rental Revenue	3,089	2,438
Security Deposits Payable	<u>531</u>	<u>-</u>
 Total Current Liabilities	 <u>39,808</u>	 <u>3,300</u>
 NET ASSETS:		
Temporarily Restricted	<u>12,409,065</u>	<u>13,119,359</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 12,448,873</u>	 <u>\$ 13,122,659</u>

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

ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY

**STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	2015			2014		
	Unrestricted	Temporarily Restricted	Totals	Unrestricted	Temporarily Restricted	Totals
SUPPORT AND REVENUE:						
Rental Income	\$ -	\$ 48,709	\$ 48,709	\$ -	\$ 40,522	\$ 40,522
Interest Income - Banks	-	7,011	7,011	-	8,418	8,418
Interest Income - Loans	-	43,425	43,425	-	38,002	38,002
Grant Income	-	59,715	59,715	-	-	-
Miscellaneous Income	-	2,368	2,368	-	2,412	2,412
Net Assets Released from Restrictions	871,522	(871,522)	-	643,492	(643,492)	-
Total Support and Revenue	<u>871,522</u>	<u>(710,294)</u>	<u>161,228</u>	<u>643,492</u>	<u>(554,138)</u>	<u>89,354</u>
EXPENSES:						
Program Services	865,257	-	865,257	628,997	-	628,997
Management and General	6,265	-	6,265	14,495	-	14,495
Total Expenses	<u>871,522</u>	<u>-</u>	<u>871,522</u>	<u>643,492</u>	<u>-</u>	<u>643,492</u>
CHANGE IN NET ASSETS	-	(710,294)	(710,294)	-	(554,138)	(554,138)
Net Assets - Beginning of Year	<u>-</u>	<u>13,119,359</u>	<u>13,119,359</u>	<u>-</u>	<u>13,673,497</u>	<u>13,673,497</u>
Net Assets - End of Year	<u>\$ -</u>	<u>\$ 12,409,065</u>	<u>\$ 12,409,065</u>	<u>\$ -</u>	<u>\$ 13,119,359</u>	<u>\$ 13,119,359</u>

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

ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY

**STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	<u>12/31/2015</u>	<u>12/31/2014</u>
OPERATING ACTIVITIES:		
Change in Net Assets	\$ (710,294)	\$ (554,138)
ADJUSTMENTS TO RECONCILE CHANGE IN NET ASSETS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES:		
Depreciation	22,789	14,000
Bad Debt Reserve	80,000	-
Changes in Operating Assets and Liabilities:		
Cash - Security Deposits	(531)	-
Accrued Interest Receivable	820	72
Accounts Receivable	(2,161)	41,325
Due to SLCIDA-LDC	-	(7,121)
Accounts Payable	35,327	862
Deferred Rental Revenue	651	2,438
Security Deposits Payable	<u>531</u>	<u>-</u>
Net Cash Provided (Used) By Operating Activities	<u>(572,868)</u>	<u>(502,562)</u>
INVESTING ACTIVITIES:		
New Mortgages and Notes	(157,287)	(1,248,292)
Payments Received on Mortgages and Notes	445,789	219,049
Fixed Asset Purchases	(949)	-
Construction in Progress	<u>-</u>	<u>(3,986)</u>
Net Cash Provided (Used) By Investing Activities	<u>287,553</u>	<u>(1,033,229)</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(285,315)	(1,535,791)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>10,228,166</u>	<u>11,763,957</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 9,942,851</u>	<u>\$ 10,228,166</u>

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

ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 1 - HISTORY AND BASIS OF STATEMENT PRESENTATION

The St. Lawrence River Valley Redevelopment Agency (SLRVRA) is a joint action agency formed on June 2, 2010 to make use of certain New York Power Authority (NYPA) assets for the purposes of economic development in the St. Lawrence Valley and surrounding communities. Under the 2010 agreement, the New York Power Authority made available for economic development purposes a \$ 16 million fund and 20 megawatts of electrical power generation from hydro-electric facilities situated on the St. Lawrence River. A parallel agreement, also dated June 2, 2010, between the SLRVRA and the St. Lawrence County Industrial Development Agency Local Development Corporation (SLCIDA-LDC) provided the mechanism for administering these assets. The SLRVRA has no employees.

As per the 2010 agreements, NYPA had provided the \$ 16 million to the SLRVRA and the SLCIDA-LDC. On October 18, 2013, NYPA executed an agreement with the Massena Electric Department (as proposed in the 2010 agreements) that made the 20 megawatts of electricity allocated to the SLRVRA available for economic development projects in St. Lawrence County.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of St. Lawrence River Valley Redevelopment Agency (SLRVRA) 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.

Financial Statement Presentation

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

Contributions

The SLRVRA 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 of any donor restrictions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

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

Mortgages and Notes Receivable

Mortgages and notes receivable are reported at their principal amounts outstanding, net of allowances for possible credit losses. Interest revenue on the mortgages and notes are a credit to interest income based on loan principal amounts outstanding at appropriate interest rates.

Temporarily Restricted Net Assets

The temporarily restricted net assets represent activity related to a \$ 16,000,000 grant from the New York Power Authority.

Income Taxes

The SLCIDA-LDC is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and is also duly established under Section 402 of the Not-For-Profit Corporation law of the State of New York. For tax reporting purposes, the accounts of the SLRVRA are consolidated with those of the SLCIDA-LDC for reporting as a combined entity.

Accounting principles generally accepted in the United States of America require the SLRVRA to evaluate all significant tax positions. As of December 31, 2015, the SLRVRA does not believe it has taken any positions that would require the recording of any tax liability or tax benefit.

Advertising

The SLRVRA expenses advertising costs as they are incurred. Advertising expenses for the years ended December 31, 2015 and 2014 were \$ 36,946 and \$ 39,383, respectively.

Depreciation

Depreciation is calculated on buildings and improvements on the straight-line method over the assets estimated useful life. Depreciation expense for the years ended December 31, 2015 and 2014 were \$ 22,789, and \$ 14,000, respectively.

**ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 3 - MORTGAGES AND NOTES RECEIVABLE

The SLRVRA carries its mortgages and notes receivable at cost recognizing interest income on the accrual basis as specified in the various agreements. The SLVRA evaluates the collectability of its mortgages and notes receivable and the Board establishes write-offs when considered necessary. The amount written off during December 31, 2015 and 2014 was \$ -0-, for both years. The amount added to the loan loss reserve at December 31, 2015 and 2014 was \$ 80,000 and \$ -0-, respectively. The loan loss reserve at December 31, 2015 and 2014 was \$ 80,000 and \$ -0-, respectively.

Mortgages and notes receivable balances at December 31, 2015 and 2014 consisted of the following:

	Date	Due	Interest Rate	Original Amount	Balance 2015	Balance 2014
BlastBoss, Inc.	06/17/14	05/01/19	2.650%	\$ 37,788	\$ 27,667	\$ 35,289
City of Ogdensburg	01/26/15	01/26/20	1.000%	23,532	19,302	-
First Class Aire	09/12/14	09/01/29	2.625%	51,500	47,652	50,754
High Peaks Winery	04/30/14	05/01/29	2.625%	36,500	34,020	35,883
Hoosier Magnetics	09/18/15	09/01/20	2.625%	100,000	98,330	-
Hozmerica, LLC	07/21/15	07/01/20	2.625%	17,500	15,823	-
Massena BDC Rail	05/05/14	12/30/16	0.000%	197,504	197,504	197,504
NC Dairy, LLC	12/02/11	12/01/16	2.625%	400,000	77,386	166,374
Nicholville Telephone Co.	12/09/11	12/01/18	4.000%	388,926	194,679	254,529
Purinepharma	07/02/14	06/01/21	5.000%	125,000	-	118,735
Riverside Iron, LLC	06/27/14	07/01/24	2.625%	100,000	86,564	95,567
SLCIDA - CIB	12/04/14	11/01/21	1.000%	700,000	668,177	700,000
SLIC Network Solutions	12/09/11	12/01/18	4.000%	436,074	214,284	280,019
Structural Wood	12/20/11	12/01/21	2.625%	150,000	94,516	108,831
Town of Louisville	03/23/15	03/01/17	1.000%	16,000	9,384	-
Town of Massena	11/19/13	03/01/16	1.000%	60,557	12,697	43,002
					1,797,985	2,086,487
				Less Allowance for Bad Debts	(80,000)	-
					<u>\$ 1,717,985</u>	<u>\$ 2,086,487</u>

Future maturities of the mortgages and notes receivable are as follows:

December 31, 2016	\$ 520,710
2017	236,045
2018	243,957
2019	98,531
2020	82,219
Thereafter	616,523
	<u>\$ 1,797,985</u>

**ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY
 NOTES TO FINANCIAL STATEMENTS
 FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 4 - LOANS IN ARREARS

There are no loans in arrears at this time.

NOTE 5 - LOANS IN DEFAULT

There are no loans in default at this time.

NOTE 6 - LOANS WRITTEN OFF

See Note 3 for loan loss reserve.

NOTE 7 - COMMUNITY DEVELOPMENT ENVIRONMENTAL IMPROVEMENT PROJECTS

The SLRVRA made grant awards during the years 2011 through 2015 as part of its Community Development Environmental Improvement Projects (CDEIP), as authorized by the June 2, 2010 contracts. The original grant award amounts and expenditures as of December 31, 2015 are as follows:

Date of Award	Grant Award	Expended					Balance of Grant Remaining
		2011	2012	2013	2014	2015	
2011	\$ 540,000	\$ 55,000	\$ 255,878	\$ 100,000	\$ 4,315	\$ 72,280	\$ 52,527
2012	571,052	-	483,552	53,874	15,000	-	18,626
2013	403,899	-	-	194,798	140,253	40,000	28,848
2014	436,358	-	-	-	59,081	208,271	169,006
2015	344,002	-	-	-	-	40,937	303,065
Total	\$ 2,295,311	\$ 55,000	\$ 739,430	\$ 348,672	\$ 218,649	\$ 361,488	\$ 572,072

NOTE 8 - FIXED ASSETS

Fixed assets at December 31, 2015 and 2014 consisted of:

	<u>2015</u>	<u>2014</u>
Massena Lot 18 - Buildings and Improvements	\$ 417,922	\$ 359,800
Massena Lot 19 - Buildings and Improvements	432,740	340,200
Construction in Progress	-	149,714
	<u>850,662</u>	<u>849,714</u>
Less: Accumulated Depreciation	<u>(67,122)</u>	<u>(44,333)</u>
	<u>\$ 783,540</u>	<u>\$ 805,381</u>

**ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

NOTE 9 - SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions from January 1, 2016 through March 3, 2016, the date the financial statements were available to be issued, for possible disclosure and, or, 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 which are required to be recognized or disclosed in the accompanying financial statements.

NOTE 10 - CONCENTRATION OF CREDIT RISK

At December 31, 2015, the SLRVRA had bank balances totaling \$ 9,957,516. A combination of federal depository insurance and securities pledged and held by the bank fully covered these bank balances.

NOTE 11 - RECOGNITION OF CERTAIN GRANT REVENUE AND EXPENDITURES

Occasionally, the SLRVRA (the "grantee") applies for and receives grants from government agencies and other organizations. These grants are usually "reimbursement grants", i.e., the monies from the grant are only paid to the grantee as reimbursements after the grantee has documented to the grantor that the grantee has achieved defined benchmarks, paid out required funds, and otherwise complied with all other required grant conditions. Projects in which such grants are involved often span several fiscal years and long delays in the reimbursement process are frequent. Consequently, in cases involving reimbursement grants, the SLRVRA does not accrue expected grant revenue or receivables until it has complied with the conditions of the grant agreement(s) and submitted the necessary documentation that will trigger the payment process. Until such documentation has been submitted, and accepted, the grantor still has substantial discretion to deny or reduce payment. Accordingly, at year end the SLRVRA does not accrue any expenses or payables associated with items to be paid out for future grant reimbursement until the SLRVRA is satisfied that it has complied with all grant reimbursement eligibility requirements. These items are usually paid out in the subsequent period and will be recorded as project expenses. As of December 31, 2015, there were no active grants of this nature.

The SLRVRA also funds a grant program of its own – the Community Development Environmental Improvement Program. Since these grants are also reimbursement grants, the SLRVRA adopts the same policy when acting as a grantor that is described above when it is a grantee, i.e., it doesn't accrue the expense until the grantee has documented satisfactorily that it has complied with the grant conditions. As of December 31, 2015, there were no active grants of this nature.

NOTE 12 - RECLASSIFICATIONS

Certain amounts in the 2014 financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

SUPPLEMENTARY INFORMATION

ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY

**SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014**

	2015			2014		
	<u>Program</u>	<u>Management and General</u>	<u>Totals</u>	<u>Program</u>	<u>Management and General</u>	<u>Totals</u>
EXPENSES:						
Advertising	\$ 36,946	\$ -	\$ 36,946	\$ 39,383	\$ -	\$ 39,383
Accounting	-	3,783	3,783	-	3,183	3,183
Contractual	348,600	-	348,600	348,600	-	348,600
Community Development	361,488	-	361,488	218,649	-	218,649
Depreciation	22,789	-	22,789	14,000	-	14,000
Insurance	11,092	-	11,092	2,515	-	2,515
Legal Expenses	-	1,920	1,920	-	10,616	10,616
Miscellaneous	-	30	30	-	-	-
Office Supplies	-	78	78	-	-	-
D & O Insurance	-	454	454	-	696	696
Repairs and Maintenance	169	-	169	711	-	711
Underwriting Fees	550	-	550	12	-	12
Utilities	3,623	-	3,623	5,127	-	5,127
Bad Debt Reserve	80,000	-	80,000	-	-	-
Total Expenses	\$ 865,257	\$ 6,265	\$ 871,522	\$ 628,997	\$ 14,495	\$ 643,492

**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***



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 River Valley Redevelopment Agency

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 River Valley Redevelopment Agency (SLRVRA) (a nonprofit organization), which comprise the statement of financial position as of December 31, 2015, 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 3, 2016.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the SLRVRA'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 SLRVRA's internal control. Accordingly, we do not express an opinion on the effectiveness of the SLRVRA's internal control.

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

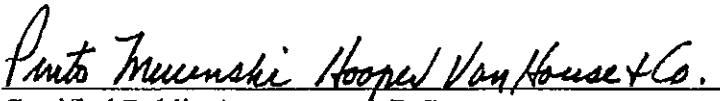
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the SLRVRA'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 organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Pante Mucinski Hooper Van House & Co.
Certified Public Accountants, P.C.

March 3, 2016