

ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY

Resolution No. RVR-13-03-04

March 19, 2013

**ACCEPTING 2012 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 2012 through 2014, 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, 2012 and 2011;"

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

Move:	Carroll			
Second:	Strait			
VOTE	Yea	Nay	Abstain	Absent
Burns				X
Carroll	X			
McNeil	X			
Murphy				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  
March 19, 2013

ST. LAWRENCE RIVER VALLEY  
REDEVELOPMENT AGENCY

FINANCIAL STATEMENTS

DECEMBER 31, 2012 and 2011

ST. LAWRENCE RIVER VALLEY  
REDEVELOPMENT AGENCY  
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DECEMBER 31, 2012 AND 2011

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
St. Lawrence River Valley Redevelopment Agency  
19 Commerce Lane, Suite 1  
Canton, NY 13617

We have audited the accompanying financial statements of the St. Lawrence River Valley Redevelopment Agency (SLRVRA) which comprise the statements of financial position as of December 31, 2012 and 2011, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the **United States of America**; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

**Opinions**

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, 2012 and 2011, 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**.

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

Ogdensburg, New York  
February 2, 2013

ST. LAWRENCE RIVER VALLEY  
REDEVELOPMENT AGENCY  
STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
<u>ASSETS</u>		
<u>Current Restricted Assets</u>		
Cash and Cash Equivalents	\$ 12,356,099	\$ 13,290,499
Security Deposits	34,024	34,000
Accounts Receivable - NG Marketing	41,325	-
Accrued Interest Receivable	2,736	2,942
Notes Receivable - Current	<u>207,878</u>	<u>145,488</u>
Total Current Restricted Assets	<u>12,642,062</u>	<u>13,472,929</u>
<u>Restricted Fixed Assets - Net</u>	<u>683,667</u>	<u>697,667</u>
<u>Long - Term Restricted Assets</u>		
Notes Receivable - Long Term	<u>1,023,935</u>	<u>1,229,512</u>
Total Long-Term Restricted Assets	<u>1,023,935</u>	<u>1,229,512</u>
Total Restricted Assets	<u>14,349,664</u>	<u>15,400,108</u>
TOTAL ASSETS	<u><u>14,349,664</u></u>	<u><u>15,400,108</u></u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities</u>		
Accounts Payable	-	-
Security Deposits Payable	<u>34,024</u>	<u>34,000</u>
Total Current Liabilities	<u>34,024</u>	<u>34,000</u>
Total Liabilities	<u>34,024</u>	<u>34,000</u>
<u>Net Assets</u>		
Temporarily Restricted	<u>14,315,640</u>	<u>15,366,108</u>
Total Net Assets	<u>14,315,640</u>	<u>15,366,108</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 14,349,664</u></u>	<u><u>\$ 15,400,108</u></u>

See accompanying notes to financial statements and independent auditors' report.

ST. LAWRENCE RIVER VALLEY  
REDEVELOPMENT AGENCY  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
<u>TEMPORARILY RESTRICTED NET ASSETS</u>		
Support		
Rental Income	\$ 38,850	\$ 15,529
Interest Income	76,103	45,231
NG Marketing Revenue	41,325	-
Miscellaneous Income	-	2,300
	<u>156,278</u>	<u>63,060</u>
TOTAL TEMPORARILY RESTRICTED SUPPORT		
Expenses		
Program Services	1,188,826	462,587
Management and General	17,920	25,428
	<u>1,206,746</u>	<u>488,015</u>
TOTAL EXPENSES		
INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	<u>(1,050,468)</u>	<u>(424,955)</u>
INCREASE (DECREASE) IN NET ASSETS	(1,050,468)	(424,955)
NET ASSETS - BEGINNING OF YEAR	<u>15,366,108</u>	<u>15,791,063</u>
NET ASSETS - END OF YEAR	<u>\$ 14,315,640</u>	<u>\$ 15,366,108</u>

ST. LAWRENCE RIVER VALLEY  
REDEVELOPMENT AGENCY  
STATEMENT OF CASH FLOWS  
DECEMBER 31, 2012 AND 2011

	<u>2012</u>	<u>2011</u>
<u>OPERATING ACTIVITIES</u>		
Increase (Decrease) in Net Assets	\$ (1,050,468)	\$ (424,955)
<u>Adjustments to Reconcile Net Income to Net Cash</u> <u>Provided (Used) by Operating Activities</u>		
Depreciation	14,000	2,333
Changes in Operating Assets and Liabilities:		
Security Deposits	(24)	(34,000)
Accrued Interest Receivable	206	(2,942)
Accounts Receivable - NG Marketing'	(41,325)	-
Accounts Payable	-	(6,284)
Security Deposits	24	34,000
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>(1,077,587)</u>	<u>(431,848)</u>
<u>INVESTING ACTIVITIES</u>		
New Notes Receivable	-	(1,375,000)
Payments on Notes Receivable	143,187	-
Fixed Asset Purchases	-	(700,000)
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>143,187</u>	<u>(2,075,000)</u>
<u>FINANCING ACTIVITIES</u>	<u>-</u>	<u>-</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(934,400)	(2,506,848)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>13,290,499</u>	<u>15,797,347</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 12,356,099</u>	<u>\$ 13,290,499</u>



ST. LAWRENCE RIVER VALLEY  
REDEVELOPMENT AGENCY  
STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

<u>EXPENSES</u>	<u>2012</u>			<u>2011</u>		
	<u>Program</u>	<u>Management and General</u>	<u>Totals</u>	<u>Program</u>	<u>Management and General</u>	<u>Totals</u>
Advertising	53,953	-	53,953	-	-	-
Accounting	-	3,300	3,300	-	-	-
Contractual	354,000	-	354,000	375,196	-	375,196
Community Development	738,350	-	738,350	56,079	-	56,079
Depreciation	14,000	-	14,000	2,333	-	2,333
Insurance	5,371	-	5,371	8,232	-	8,232
Legal Expenses	-	13,149	13,149	-	24,160	24,160
Miscellaneous	34	509	543	200	741	941
Property Taxes	22,416	-	22,416	20,535	-	20,535
D & O Insurance	-	962	962	-	527	527
Repairs & Maintenance	203	-	203	-	-	-
Travel	368	-	368	-	-	-
Utilities	131	-	131	12	-	12
<b>Total Expenses</b>	<b>\$ 1,188,826</b>	<b>\$ 17,920</b>	<b>\$ 1,206,746</b>	<b>\$ 462,587</b>	<b>\$ 25,428</b>	<b>\$ 488,015</b>

ST. LAWRENCE RIVER VALLEY  
REDEVELOPMENT AGENCY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

B. Contributions

The Organization 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.

C. Use of Estimates

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

D. Cash and Cash Equivalents

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

E. Loans Receivable

Loans are reported at their principal amounts outstanding, net of allowances for possible credit losses. Interest revenue on loans is a credit to interest income based on loan principal amounts outstanding at appropriate interest rates. Interest accrues on loans which are delinquent for three or more months and which management considers uncollectible.

ST. LAWRENCE RIVER VALLEY  
REDEVELOPMENT AGENCY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

F. Temporarily Restricted Net Assets

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

G. Income Taxes

For tax reporting purposes, the accounts of the SLRVRA are consolidated with those of the SLC IDA-LDC and the GMEDF for joint reporting as a combined entity.

The SLC IDA-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 Organization to evaluate all significant tax positions. As of December 31, 2012 the Organization 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.

H. Advertising

The Organization expenses advertising costs as they are incurred. Advertising expenses for the years ended December 31, 2012 and 2011 were \$53,953 and \$-0-, respectively.

I. Depreciation

Depreciation is calculated on buildings and improvements on the straight-line method over a 50 year life. Depreciation expense for the years ended December 31, 2012 and 2011 were \$14,000, and \$2,333, respectively

NOTE 2 – 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 assets for the purposes of economic development in the St. Lawrence Valley and surrounding communities. The New York Power Authority has made available certain assets consisting of \$16 million fund and 20 megawatts of electrical power generation from hydro-electric facilities situated on the St. Lawrence River. There is an agreement in place between the SLRVRA and the St. Lawrence County Industrial Development Agency Local Development Corporation (SLC IDALDC) for the administration of these assets. The SLRVRA has no employees.

ST. LAWRENCE RIVER VALLEY  
REDEVELOPMENT AGENCY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

The SLRVRA is a financial reporting component of the SLC IDA-LDC and, as such, its financial position and operating results were included in the SLC IDA-LDC's financial statements. As of December 31, 2011, the SLRVRA and SLC IDA-LDC had been provided the \$16 million. On October 18, 2012, a second agreement between the New York Power Authority (NYPA) and the SLRVRA as to the allocation of the 20 megawatts of electricity has been approved and the power allocations can be made available.

NOTE 3 - MORTGAGES AND NOTES RECEIVABLE

The Organization carries its mortgages and notes receivable at cost recognizing interest income on the accrual basis as specified in the various agreements.

On a periodic basis, the Organization evaluates its mortgages and notes receivable and will establish write offs as economic conditions warrant. The Board will determine which mortgages and notes to write off based on uncollectibility. All mortgages and notes are collectible until all legal remedies are exhausted.

Mortgages and Notes Receivable balances at December 31, 2012 and 2011 consisted of the following:

	<u>Date</u>	<u>Due</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>2012</u>	<u>2011</u>
<u>Receivables</u>						
NC Dairy, LLC	12/02/11	12/01/16	2.625%	\$ 400,000	\$ 324,169	\$ 400,000
Nicholville Telephone Co	12/09/11	12/01/18	4.000%	-	366,726	-
SLIC Network Solutions **	12/09/11	12/01/18	4.000%	825,000	403,342	825,000
Structural Wood Corp	12/20/11	12/01/21	2.625%	150,000	<u>137,577</u>	<u>150,000</u>
Total					<u>\$ 1,231,813</u>	<u>\$ 1,375,000</u>

\*\* The 2011 note with SLIC network Solutions was amended in 2012 and the note was divided between SLIC Network Solutions and Nicholville Telephone Co.

NOTE 4 – LOANS IN ARREARS

None – all loan repayments are current.

NOTE 5 – LOANS IN DEFAULT

None – there are no loans in default at this time.

NOTE 6 – LOANS WRITTEN OFF

None – all loans are still deemed collectible.

ST. LAWRENCE RIVER VALLEY  
REDEVELOPMENT AGENCY  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2012 AND 2011

NOTE 7 – COMMUNITY DEVELOPMENT ENVIRONMENTAL IMPROVEMENT PROJECTS

The SLRVRA has allocated awards in both 2011 and 2012 as part of its Community Development Environmental Improvement Projects (CDEIP). The original award amounts and expenditures as of December 31, 2012 are as follows:

<u>CDEIP</u>	<u>Available</u>	<u>Expended</u>		<u>Balance Remaining</u>
		<u>2011</u>	<u>2012</u>	
2011 Awards	\$ 790,000	\$ 56,079	\$ 254,798	\$ 479,123
2012 Awards	571,052	-	483,552	87,500
Total	<u>\$ 1,361,052</u>	<u>\$ 56,079</u>	<u>\$ 738,350</u>	<u>\$ 566,623</u>

NOTE 8 – FIXED ASSETS

Fixed Assets at December 31 consisted of:

	<u>2012</u>	<u>2011</u>
Massena Lot 18	\$ 359,800	\$ 359,800
Massena Lot 19	<u>340,200</u>	<u>340,200</u>
	700,000	700,000
Less: Accumulated Depreciation	<u>(16,333)</u>	<u>(2,333)</u>
	<u>\$ 683,667</u>	<u>\$ 697,667</u>

NOTE 9 – SUBSEQUENT EVENTS

Management has reviewed and evaluated all events and transactions from December 31, 2012 through February 2, 2013, the date the financial statements were available to be issued, for possible disclosure or recognition in the financial statements.

The St. Lawrence River Valley Redevelopment Agency authorized and committed itself to loan the St. Lawrence County Industrial Development Agency \$700,000 as financing towards the construction costs of the SLCIDA's new building. As of December 31, 2012 the loan agreement had not been consummated and it is anticipated to be consummated during February or March 2013.



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**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  
19 Commerce Lane, Suite 1  
Canton, New York 13617

We have audited the financial statements of the governmental activities of the St. Lawrence River Valley Redevelopment Agency (SLRVRA) as of and for the year ended December 31, 2012, and have issued our report thereon dated February 2, 2013. We conducted our audit 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**.

Internal Control over Financial Reporting

Management of the SLRVRA is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the SLRVRA's internal control over financial reporting as a basis for designing our auditing procedures 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 SLRVRA's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the SLRVRA's internal control over financial reporting.

*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 in internal control* is a deficiency or a combination of significant deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the SLRVRA's financial statements will not be prevented, or detected and corrected on a timely basis.

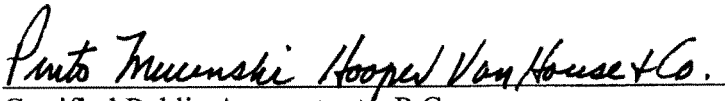
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the SLRVRA'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***.

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

Very truly yours,

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

Ogdensburg, New York  
February 2, 2013



Pinto·Mucenski·Hooper  
Van House & Co.  
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February 2, 2013

To the Board of Directors  
St. Lawrence River Valley Redevelopment Agency  
19 Commerce Lane, Suite 1  
Canton, New York 13617

We have audited the financial statements of the St. Lawrence River Valley Redevelopment Agency (SLRVRA) for the year ended December 31, 2012 and have issued our report thereon dated February 2, 2013. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated December 13, 2012. Professional standards also require that we communicate to you the following information related to our audit.

#### Our Responsibilities under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated December 13, 2012, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statement does not relieve you or management of your responsibilities.

#### Planned Scope and Timing of the Audit

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

Our audit included obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Material misstatements may result for (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf on the entity. We have communicated our significant findings as outlined below.

We began our audit on January 22, 2013 and intended to issue our report on approximately February 2, 2013.



## 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 SLRVRA are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended December 31, 2012. We noted no transactions entered into by the SLRVRA 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 estimates affecting the SLRVRA's financial statements follow.

#### Valuation of Accounts and Notes Receivables

Management's estimate of the valuation of receivables is based on a review of historical collection rates, contractual agreements, and an analysis of the collectability of individual receivables owed to the SLRVRA. We evaluated the key factors and assumptions used to develop the valuation of receivables and determined that they are reasonable in relation to the financial statements taken as a whole.

#### Useful Lives Used in Providing Depreciation Expense

Management's estimate of the useful lives of assets used in providing depreciation expense is based on the requirements of generally accepted accounting principles. We evaluated the key factors and assumptions used by management and determined that depreciation expense was 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.

#### Disclosure of Loans in Arrears, Default, and Written Off

The disclosure of loans in arrears, in default, and written off can be found in Notes 4 – 6 to the financial statements. These notes highlight which loans listed in Note 3 that 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 trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

### *Disagreements with Management*

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

### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated February 2, 2013.

### *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 SLRVRA's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accounting to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

### *Other Audit Findings or Issues*

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

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

Very truly yours,

  
Piotr Mucinski Hooper Van House & Co.  
Certified Public Accountants, P.C.  
Ogdensburg, New York