ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY
Resolution No. RVR-14-05-03
May 20, 2014

ACCEPTING 2013 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, 2013 and 2012;"

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
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
May 20, 2014

ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY

FINANCIAL STATEMENTS

DECEMBER 31, 2013 and 2012

ST. LAWRENCE RIVER VALLEY
REDEVELOPMENT AGENCY
TABLE OF CONTENTS
DECEMBER 31, 2013 AND 2012

			Page(s)
		Independent Auditor's Report	
EXHIBIT I	-	Statements of Financial Position	1
EXHIBIT II	-	Statements of Activities	2
EXHIBIT III	-	Statements of Cash Flows	3
EXHIBIT IV	-	Statements of Functional Expenses	4
		Notes to Financial Statements	5 – 10
		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	11 – 12
		Auditor's Required Communications	13 – 15

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INDEPENDENT AUDITOR'S REPORT

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 accompanying financial statements of the St. Lawrence River Valley Redevelopment Agency (SLRVRA) which comprise the statements of financial position as of December 31, 2013 and 2012, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the SLRVRA'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 SLRVRA'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, 2013 and 2012 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Pinto Mucenski Hooper VanHouse & Co.
Certified Public Accountants, P.C.
Ogdensburg, New York
March 3, 2014

EXHIBIT I

ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2013 AND 2012

	2013	2012
ASSETS		
Current Restricted Assets		
Cash and Cash Equivalents	$ 11,763,957	$ 12,356,099
Security Deposits	-	34,024
Accounts Receivable - NG Marketing	41,325	41,325
Accrued Interest Receivable	2,697	2,736
Notes Receivable - Current	208,447	207,878
Total Current Restricted Assets	12,016,426	12,642,062
Restricted Fixed Assets - Net	815,395	683,667
Long - Term Restricted Assets		
Notes Receivable - Long Term	848,797	1,023,935
Total Long-Term Restricted Assets	848,797	1,023,935
Total Restricted Assets	13,680,618	14,349,664
TOTAL ASSETS	13,680,618	14,349,664
Current Liabilities		
Due to SLCIDA-LDC	7,121	-
Security Deposits Payable	-	34,024
Total Current Liabilities	7,121	34,024
Total Liabilities	7,121	34,024
Net Assets		
Temporarily Restricted	13,673,497	14,315,640
Total Net Assets	13,673,497	14,315,640
	13,680,618	14,349,664

See Independent Auditor's Report. 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, 2013 AND 2012

	2013	2012
TEMPORARILY RESTRICTED NET ASSETS		
Support		
Rental Income	$ 59,063	$ 38,850
Interest Income	56,606	76,103
NG Marketing Revenue	-	41,325
Miscellaneous Income	2,412	-
TOTAL TEMPORARILY RESTRICTED SUPPORT	118,081	156,278
Expenses		
Program Services	745,081	1,188,826
Management and General	16,577	17,920
TOTAL EXPENSES	761,658	1,206,746
INCREASE (DECREASE) IN TEMPORARILY RESTRICTED NET ASSETS	(643,577)	(1,050,468)
INCREASE (DECREASE) IN NET ASSETS	(643,577)	(1,050,468)
PRIOR PERIOD ADJUSTMENT (Note 12)	1,434	-
NET ASSETS - BEGINNING OF YEAR	14,315,640	15,366,108
NET ASSETS - END OF YEAR	$ 13,673,497	$ 14,315,640

ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY
STATEMENTS OF CASH FLOWS
DECEMBER 31, 2013 AND 2012

	2013	2012
OPERATING ACTIVITIES		
Increase (Decrease) in Net Assets	$ (643,577)	$ (1,050,468)
Adjustments to Reconcile Net Income to Net Cash Provided (Used) by Operating Activities		
Depreciation	14,000	14,000
Prior Period Adjustment	1,434	-
Changes in Operating Assets and Liabilities:		
Security Deposits	34,024	(24)
Accrued Interest Receivable	39	206
Accounts Receivable - NG Marketing	-	(41,325)
Due to SLCIDA-LDC	7,121	-
Security Deposits	(34,024)	24
NET CASH PROVIDED BY OPERATING ACTIVITIES	(620,983)	(1,077,587)
INVESTING ACTIVITIES		
New Notes Receivable	(38,967)	-
Payments on Notes Receivable	213,536	143,187
Construction in Progress	(145,728)	-
NET CASH PROVIDED BY INVESTING ACTIVITIES	28,841	143,187
FINANCING ACTIVITIES	-	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	-	-
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(592,142)	(934,400)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	12,356,099	13,290,499
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 11,763,957	$ 12,356,099

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

ST. LAWRENCE RIVER VALLEY REDEVELOPMENT AGENCY
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2013 AND 2012

	2013			2012		
EXPENSES	Program	Management and General	Totals	Program	Management and General	Totals
Advertising	20,265	-	20,265	53,953	-	53,953
Accounting	-	3,183	3,183	-	3,300	3,300
Contractual	351,300	-	351,300	354,000	-	354,000
Community Development	348,672	-	348,672	738,350	-	738,350
Depreciation	14,000	-	14,000	14,000	-	14,000
Insurance	7,623	-	7,623	5,371	-	5,371
Legal Expenses	-	12,883	12,883	-	13,149	13,149
Miscellaneous	-	29	29	34	509	543
Office Supplies	-	42	42	-	-	-
Property Taxes	-	-	-	22,416	-	22,416
D & O Insurance	-	440	440	-	962	962
Repairs & Maintenance	640	-	640	203	-	203
Travel	-	-	-	368	-	368
Utilities	2,581	-	2,581	131	-	131
Total Expenses	$ 745,081	$ 16,577	$ 761,658	$ 1,188,826	$ 17,920	$ 1,206,746

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

NOTE 1 – 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.

A. 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.

B. 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.

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 SLRVRA 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.

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 SLCIDA-LDC for reporting as a combined entity.

The SLCIDA-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 SLRVRA to evaluate all significant tax positions. As of December 31, 2013 the SLRVRA 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 SLRVRA expenses advertising costs as they are incurred. Advertising expenses for the years ended December 31, 2013 and 2012 were $20,265 and $53,953, 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, 2013 and 2012 were $14,000, and $14,000 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 (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 Jun 2, 2010, between the SLRVRA and the St. Lawrence County Industrial Development Agency Local Development Corporation (SLCIDALDC) provided the mechanism for administering these assets. The SLRVRA has no employees.

Prior to 2013, and 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.

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.

On a periodic basis, the SLRVRA 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, 2013 and 2012 consisted of the following:

	Date	Due	Interest Rate	Original Amount	2013	2012
Receivables						
NC Dairy, LLC	12/02/11	12/01/16	2.625%	$ 400,000	$ 239,697	$ 324,169
Town of Massena	11/19/13	03/01/16	1.000%	38,967	$ 38,967	$ -
Nicholville Telephone Co	12/09/11	12/01/18	4.000%	-	311,783	366,726
SLIC Network Solutions **	12/09/11	12/01/18	4.000%	825,000	342,879	403,342
Structural Wood Corp	12/20/11	12/01/21	2.625%	150,000	123,918	137,577
Total					$ 1,057,244	$ 1,231,813

** 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 – There are no loans in arrears at this time.

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.

NOTE 7 – COMMUNITY DEVELOPMENT ENVIRONMENTAL IMPROVEMENT PROJECTS

The SLRVRA made awards in 2011, 2012 and 2013 as part of its Community Development Environmental Improvement Projects (CDEIP), as authorized by the June 2, 2010 contracts. The original award amounts and expenditures as of December 31, 2013 are as follows:

CDEIP	Available	Expended 2011	Expended 2012	Expended 2013	Balance Remaining
2011 Awards	$ 790,000	$ 56,079	$ 254,798	$ 100,000	$ 379,123
2012 Awards	571,052	-	483,552	53,874	33,626
2013 Awards	538,092	-	-	207,008	331,084
Total	$ 1,899,144	$ 56,079	$ 738,350	$ 360,882	$ 743,833

NOTE 8 – FIXED ASSETS

Fixed Assets at December 31 consisted of:

	2013	2012
Massena Lot 18	$ 359,800	$ 359,800
Massena Lot 19	340,200	340,200
Construction in Progress	145,728	-
	845,728	700,000
Less: Accumulated Depreciation	(30,333)	(16,333)
	$ 815,395	$ 683,667

NOTE 9 – NATIONAL GRID MARKETING AGREEMENT

The SLRVRA and the SLCIDA-LDC partnered with National Grid, CITEC and others to mount a large scale effort to market the St. Lawrence Valley to Canadian businesses. During 2013, $107,906 in costs associated with the initiative were incurred. The effort was completed in 2013. Partial reimbursement from National Grid of up to $82,650 of the total costs will be split between the SLCIDA-LDC and the SLRVRA.

NOTE 10 – SUBSEQUENT EVENTS

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

Payment from CITEC for the National Grid Marketing Initiative was received on January 22, 2014.

The St. Lawrence River Valley Redevelopment Agency has 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, 2013 the loan agreement had not been consummated and it is anticipated to be consummated early in 2014.

NOTE 11 – PRIOR PERIOD ADJUSTMENT

The prior period adjustment of $1,434 represents a booking adjustment in the financial system and will be offset with a corresponding prior period adjustment in the SLCIDA-LDC's consolidated financial statements.

NOTE 12 – 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. Reimbursement grants active as of December 31, 2013 consisted of the following:

Reimbursement Grants with SLRVRA as a "Grantee"	Awarded Revenue	Deferred Expenses
NYS - ESD Grant	$ 60,000	$ -
St. Lawrence River Walleye Association	-	12,210
Totals	$ 60,000	$ 12,210

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.

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the St. Lawrence River Valley Redevelopment Agency (SLRVRA) (a nonprofit organization), as of December 31, 2013, and the related notes to the financial statements, and have issued our report thereon dated March 3, 2014.

Internal Control Over Financial Reporting

In planning and performing our audits of the financial statements, we considered the 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 opinions 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 SLRVRA'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. We did identify certain deficiencies in internal control that we consider to be control deficiencies as described in the Management Letter on page 16 as number 13-1.

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*.

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 SLRVRA'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 SLRVRA's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Very truly yours,

Pinto Mucenski Hooper Van House & Co.

Certified Public Accountants, P.C.
Ogdensburg, New York
March 3, 2014

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

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March 3, 2014

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, 2013 and have issued our report thereon dated March 3, 2014. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated December 12, 2013. Professional standards also require that we communicate to you the following information related to our audit.

Our Responsibilities Under U.S. Generally Accepted Auditing Standards

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

Planned Scope and Timing of the Audit

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

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

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

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the 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, 2013. 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. There were no sensitive accounting estimates affecting the SLRVRA'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 5 – 7 to the financial statements. These notes highlight which loans listed in Note 4 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, most of the misstatements detected as a result of audit procedures and corrected by management were immaterial, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole with the exception of the transactions discussed in our Management letter.

Disagreements with Management

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

Management Representations

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

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the 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,

Pinto Mucenski Hooper VanHouse & Co.

Certified Public Accountants, P.C.
Ogdensburg, New York